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AUTHOR Siegel, Dorothy; Naphtali, Zvia Segal; Fruchter, Norm; Berne, Robert

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ABSTRACT

In 1996 the Chancellor introduced Performance Driven Budgeting (PDB) to the New York City schools. PDB is a form of decentralized budgetary decision making intended to provide local educators with increased control and flexibility over the use of resources. The plan established a framework of goals and principles, outlined a phased-in implementation, and called for outside funding for an evaluation. This first year evaluation, from the inception of PDB in September 1996 through August 1998, focuses on how and to what extent the conditions necessary for the successful implementation of PDB are being created in the districts and the central office. The second and third annual reports will assess the level and effectiveness of schools' implementation of PDB. The critical feature of PDB, linking budgeting to improvement in instruction and student performance, distinguishes the approach from other school-based budgeting approaches being implemented in the United States. In this first year, surveys were completed by 87 planning team members from PDB elementary schools and 16 team members from non-PDB schools and 44 team members from PDB high schools. Significant changes were apparent at the central level, with purposive activity attempting to link and integrate many traditionally fragmented operations and functions apparent centrally and in the schools. Strong leadership and a sustained focus will be needed to implement changes at the school level as the program progresses. Six appendixes describe current and proposed policies, give details of planning team interviews, and explain how to use the PDB Web Conference Center. (Contains 3 charts, 31 tables, and 4 figures.) (SLD)

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INSTITUTE FOR
Education and Social Policy
New York University

First Annual Report:

Evaluation of the

Performance Driven Budgeting Initiative

of the

New York City Board of Education

November 1998

Dorothy Siegel
Zvia Segal Naphtali
Norm Fruchter
Robert Berne

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This report reviews the first year implementation of Chancellor Crew's Performance Driven Budgeting initiative. To acknowledge all those who helped us prepare this report, we must thank everyone who helped us understand this very large and complex undertaking. We especially appreciate the assistance of Deputy Chancellor for Operations Harry Spence, his Senior Assistant Ann Horowitz, Chief Financial Officer Beverly Donohue, her Senior Assistant Stacy Martin, and Diana Cagle, Senior Assistant to Deputy Chancellor for Instruction Judith Rizzo.

The Central, district and school personnel we interviewed, observed and surveyed are too numerous to thank individually. We are indebted to all of them and deeply appreciate the time they took from their very busy schedules to assist us. We are also grateful for the time school level personnel spent with us to help us understand their realities. We have listed the Central and district staff we interviewed in an appendix. However, we do not list the school personnel to preserve their school's anonymity.

At the Institute many thanks are due to a cadre of committed staff members: Jay Leslie, the project's information coordinator; Jacquie Bratton, Julie Ting, and Dana Lockwood, research assistants; and Penelope Pi-Sunyer, Jeff Metzler and Beverly Crumley, field researchers.

Our thanks also to Lynne Weikart, who helped plan the evaluation implementation and played a critical role during the course of the first year.

We are grateful to Professors Leanna Stiefel and Amy Ellen Schwartz of the Wagner School of Public Service, whose design for the outcomes study is contained in this report.

TABLE OF CONTENTS

Executive Summary i

Introduction 1

Chapter 1: Evolution of the PDB Implementation Process 5

Chapter 2: Research Design 15

Chapter 3: Perceptions of PDB: Definition, Vision of Success, Changes Needed 25

Chapter 4: Implementation at the System Level 33

Chapter 5: Implementation in the Pilot Community School Districts 49

A. Preliminary Survey Results 50

B. Models of PDB Implementation 61

Chapter 6: Implementation in the Pilot High School Superintendencies 83

A. Implementation in the High Schools 83

B. Preliminary Survey Results 92

Chapter 7: Technical Assistance 103

Chapter 8: Initial Conclusions: Year 1, Phase I 109

APPENDICES:

Appendix A: Phase I Districts and Schools; Phase II Districts

Appendix B: PDB Goals and Principles; PDB Phase I Selection Committee

Appendix C: NYC School System Staff Interviewed

Appendix D: School Observation & Interview Protocols; District Interview Protocol; Central Interview Protocol

Appendix E: Table of Policies & Practices that Need to Change

Appendix F: Users Manual: How to Use the PDB Web Conference Center

EXECUTIVE SUMMARY

In October 1995, Chancellor Rudolph Crew articulated his vision of a "performance-driven" school system, which "focuses its energies on the sole goal of improving performance in teaching and learning."[1]. In Chancellor Crew's definition, a performance driven system:

- defines clear standards for student learning;
- identifies educational strategies for all students to meet these standards;
- aligns all resources, policies and practices to carry out these strategies;
- tracks results; and
- uses the data to drive continuous improvement and holds the entire system accountable for student performance.

In September, 1996, Chancellor Crew introduced Performance Driven Budgeting (PDB), a form of decentralized budgetary decision-making intended to "provide local educators with increased control and flexibility over the use of resources so that they could engage in more creative program development, more effective problem solving, and more efficient use of resources to improve student performance."[2] His plan established a framework of goals and principles; outlined a three- to five-year phased-in implementation process beginning with the selection of Phase I pilot districts; and called for obtaining outside funding for an evaluation to "help us to understand whether or not we are on the right track."

One year later, in September, 1997, New York University was selected to provide a collaborative, multi-level three-year evaluation with three components: an implementation and impact assessment, a technical assistance component, and a reporting component. The NYU evaluation design posed three questions:

- What is PDB?
- What would PDB look like if it were operating successfully?
- What changes in the school system's policies and practices are needed for successful implementation?

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[1] Letter to superintendents dated 8/23/98

[2] An Invitation to Partnership in the Design and Implementation of Performance Driven Budgeting, p. 1.

Through interviews, observations and the collection of documents at the school, district and Central levels, the NYU evaluation is designed to elicit and analyze participants' perceptions of and roles in PDB implementation. Surveys of PDB participants yielded preliminary responses of frontline practitioners and parents that helped establish baseline school-based budgeting and school-based management practices. Ultimately, the three years of surveys and other school level research activities will provide the data to understand the extent and effects of the changes that PDB has introduced.

This first year analysis, from the inception of PDB in September, 1996 through August, 1998, focuses on how and to what extent the conditions necessary for the successful implementation of PDB are being created in the districts and at Central. The second and third annual reports will assess the level and effectiveness of schools' implementation of PDB.

THE CHALLENGE OF PERFORMANCE DRIVEN BUDGETING

PDB's critical feature -- linking budgeting to improvement in instruction and student performance -- distinguishes Performance Driven Budgeting from other school-based budgeting initiatives being implemented in school systems throughout the country. Often school-based budgeting is largely – and in some cases exclusively – a management or governance innovation that places responsibility for school budgets at the school site, but makes no explicit linkage between budgeting and instructional planning for improvement in student performance.

In December, 1996, shortly after Chancellor Crew introduced the PDB initiative, the New York State Legislature enacted a school governance law that mandated the creation of school planning teams and school-based budgeting in every New York City public school. The new law also shifted substantial authority away from community school boards to the Chancellor, to the superintendents and to some extent, to the schools themselves. For the first time, principals would be accountable to superintendents who would be accountable to the Chancellor.

The changes set in motion by the PDB initiative and by the school governance law challenge how schools, districts and the central system have traditionally functioned. For a performance-driven system to work, the central administration has to cede control over resource allocation decisions to districts and schools and reinvent itself as an internal service organization. Districts have to cede considerable control over budgeting, staffing and instructional organization to schools, while developing an effective role for themselves as creators, facilitators, trainers and supporters of school-

based planning and budgeting. Finally, in exchange for being held accountable for their students' performance, schools must accept the multiple challenges of managing themselves, while embracing and carrying out their new powers.

EVOLUTION OF THE PDB IMPLEMENTATION PROCESS

In February, 1997, six community school districts (Districts 2, 9, 13, 19, 20, and 22), the Brooklyn and Queens high school superintendencies, as well as the International High School network in the Alternative High School superintendency, were selected to initiate Phase I of PDB. In the spring of 1998, twelve community school districts (Districts 3, 7, 8, 10, 11, 15, 17, 23, 24, 27, 28 and 29), the Division of High Schools and District 75 joined the PDB Initiative as Phase II districts.

From January through March, 1997, each Phase I district worked with Central office staff on a "design team" which was to develop and implement the PDB model for that district. Central's expectation was that "variation among these [district] models would enable more opportunities for the development of innovative strategies and teach us more about the kinds of approaches that are likely to be successful."[3] Central also assumed that system-wide implementation, by 1999-2000, would be driven by, and based on, the successes of one or more of the models developed by the Phase I districts. In March, 1997, Deputy Chancellor Spence announced the allocation of $40,000 to each Phase I district to support district and school planning activities.

Field-based and Central staff met to identify systemic policy and coordination issues that needed to be articulated and resolved if PDB was to succeed. The resulting working groups, whose members were drawn from the school, district and central levels, set out to develop recommendations in the five areas that Phase I participants had identified for immediate attention: earlier allocations to schools; developing an RFP for the evaluation of PDB; personnel hiring and flexibility issues; school-based budgeting and expenditure issues; and developing strategies to change city, state and federal regulations and laws that impeded effective implementation of PDB.

From March through June 1997, Deputy Chancellor Spence's office focused its efforts on the first two areas: earlier allocations and developing an evaluation of the initiative. But in March, 1998, Mr. Spence announced a major change in the PDB implementation strategy. "While many of the [Phase I] superintendencies made strides in linking instructional goals and resources in participating schools, we have been less successful over the past year in removing the Central institutional and

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[3] *Ibid*.

regulatory barriers to local discretion."[4] He announced a new field-based decentralized approach "predicated on the notion that the first response point in the system to school-based issues is at the district level." This field-based approach is based on a three-tiered effort.

Tier I consists of a Core Group of Directors of Operations from the six Phase I community school districts and Directors of Operations from two Phase II districts (Districts 10 and 27), whose task is to develop and implement a field-based, system-wide approach to PDB, and to provide peer-to-peer professional development, support and technical assistance.

Tier II consists of senior Central administrators who serve as advocates on behalf of Phase I and II districts, defining key field-based implementation issues and attempting to resolve them by changing Central system operating modes.

Tier III, consisting of the Central executive staff reporting to the Deputy Chancellor, defines and attempts to resolve systemic issues that resist resolution at the first two tiers.

Beverly Donohue, the school system's Chief Financial Officer, became responsible for coordinating Central- and district-based PDB activities. Liz Gewirtzman, Director of Operations in Community School District 2, became the Core Group Leader and PDB Project Director. The following timeline is for the implementation of both school leadership teams (SLT) and PDB.

Table 1.1: Implementation Timeline

Date	Steps Toward Implementation
1998-99	Districts and schools develop organizational structures for SLT's.
Nov 98	School Leadership Team (SLT) plan is put in place.
Jan 99	Regulations instituting school-based budgeting are promulgated.
Winter 99	Community school districts receive training on the Galaxy system.
Spring 99	All community school districts input 99-00 budgets into the new computerized system (Galaxy), with many schools creating their own budgets.
1999-00	All schools will have functioning SLT's, that will develop Comprehensive Educational Plans; many also develop their budgets.
1999-00	High schools and District 75 input 00-01 budgets into Galaxy.
2000-01	SLTs in all schools create their own budgets.

[4] 3/2/98 Memorandum to superintendents from Deputy Chancellor Spence

POLICIES AND PRACTICES THAT HAVE TO CHANGE FOR PDB TO SUCCEED

The NYU evaluation began by analyzing the necessary changes in policies and practices implied in PDB's goals: what had to change for PDB implementation to succeed? Evaluators asked that question of practitioners at all levels of the school system involved in PDB, and grouped their responses into the following categories:

1. Moving authority for budgeting, spending, personnel decisions and instructional planning to the school level;
2. Restructuring resource allocation policies and practices to support school level instructional planning and budgeting;
3. Providing data in understandable form to support school level instructional planning and budgeting;
4. Providing training and resources to support school teams' work;
5. Creating less hierarchical decision-making relationships and structures at all levels;
6. Establishing clear responsibility for accountability and effective public reporting mechanisms; and
7. Developing a culture supportive of school decision-making and continuous school improvement.

CHANGES IN POLICIES AND PRACTICES AT THE SYSTEM LEVEL

Summarized below are the PDB-related changes that took place between Summer '96 and Summer '98, from the perspectives of the central organization, the community school districts and the high school superintendencies. Many of the changes at Central were set in motion by the Chancellor's original push for a performance-driven system.

Among the major innovations by Central were: reorganizing fiscal operations under a Chief Financial Officer; reorganizing and reconceptualizing the Budget Office; reorganizing and improving the budget request process; developing a computerized budgeting tool, Galaxy 2000, designed around a school table of organization; creating School-Based Budget (and Expenditure) Reports for the entire school system; providing much earlier allocations to schools; allowing districts to roll over tax-levy funds; and streamlining purchasing procedures and other school-support operations.

Additionally, Deputy Chancellor Spence's office developed a School Leadership Team (SLT) plan and assigned to these school-based teams two critical core functions: developing the school's Comprehensive Educational Plan as each school's basic

instructional planning tool; and developing the school's budget to support its instructional strategies.

During the same period, the Office of the Deputy Chancellor for Instruction developed instructional tools to help schools and the SLTs do their instructional planning: ECLAS, the Early Childhood Literacy Assessment System; student performance data in increasingly disaggregated formats; PASS – a school-level performance evaluation instrument to help schools assess the quality of their education practice; and the Comprehensive Educational Plan (CEP) and analogous District Comprehensive Educational Plan (DCEP), the linchpins of Central's school improvement process. The CEP and DCEP are also key elements of a new performance-driven accountability system that, in evaluating superintendents and principals, looks at data as evidence of educational effectiveness rather than at compliance and procedural issues.

CHANGES IN POLICIES AND PRACTICES IN THE PILOT COMMUNITY SCHOOL DISTRICTS

Central's initial strategy for implementation of PDB was to select, as pilots, those community school districts that had already substantially developed school-based budgeting and/or school-based planning. PDB was designed to encourage these pilot districts to continue their development, so that a number of citywide models for PDB implementation would be generated by their strategies. The pilot districts' implementation strategies took the variety of forms that Central had hoped for; all built on their prior budgeting and planning experiences. Essentially, PDB accelerated the evolution of each district's particular approach to decentralized budgeting and school-based instructional planning.

Among the different district implementations, we identified two highly developed models of performance driven budgeting in the work of District 2 and District 22. Each developed its own approach to budgeting for instructional improvement – an instructionally focused, principal-driven planning process in District 2; and a highly collaborative, broadly participatory planning process in District 22. Although their models differ, both districts share numerous characteristics of effectiveness, and both are building PDB on their base of prior successful practice:

Both district superintendents had been long-term chief executive officers who were quite successful in improving student performance:

- Both districts currently have few, if any, schools that can be characterized as failing.

- Both districts send a clear message to the school community that continuously improving student performance – especially in literacy – is expected of all school leaders and staff.
- Both provide extensive support and training to buttress their high expectations.
- Collaboration, communication, trust and respect – attributes each district defines as key to success -- characterize the reciprocal relationships between schools and districts.

Over a five to seven year period, District 2 and District 22 gradually instituted school-based budgeting in all their schools. The two districts made their budgets more transparent by publishing their school allocations and articulating the underlying formulas. Schools in both districts now enjoy considerable flexibility in how they budget their funds, with support from their districts in understanding good budgeting practices. Parents and staff appear to be very satisfied with the direction of their district and its schools.

Because the community school districts that volunteered for Phase I of PDB had several years of experience honing their budgeting and instructional practices, the evaluation expected to find corresponding differences in practices and policies among districts with different levels of experience in school-based budgeting prior to the introduction of PDB. The evaluation also sought to explore whether some of the differences between the PDB and non-PDB districts might also be a result of PDB implementation this past year.

Surveys were sent to planning team members in 23 pilot elementary and middle schools in four of the Phase I pilot PDB districts (Districts 2, 13, 19, and 22) and to planning team members in four schools in two non-PDB districts. The survey asked school planning team members about their experiences with school instructional planning and budgeting before and after the introduction of PDB. In all, 87 team members from the PDB schools returned surveys (63%), as did sixteen team members from the four non-PDB schools (57%).

In almost all of the seven categories hypothesized as being necessary for successful PDB implementation, survey results show higher percentages of positive response from survey participants in Phase I PDB schools compared to respondents from non-PDB schools. Though survey evidence should always be treated as provisional and suggestive only -- and our findings should be treated very much as initial indications because of the relatively low number of participants – the survey results point to the

possibility that, after barely a year, Phase I districts implementing PDB are moving to provide effective school level instructional planning and budgeting.

CHANGES IN POLICIES AND PRACTICES IN THE PILOT PDB HIGH SCHOOL SUPERINTENDENCIES

A total of thirteen high schools participated in Phase I of PDB implementation. In the winter and spring of 1997, the Brooklyn and Queens superintendencies collaborated with each other and with Central to plan for PDB implementation and to identify impediments to successful PDB implementation. They identified six major areas of concern:

- late allocations which cause schools to experience difficult fall openings;
- late hiring which makes it difficult to hire highly qualified staff and have the time needed for adequate orientation and mentoring;
- lack of flexibility in staffing;
- lack of an annualized budget to support annualized instructional planning;
- lack of flexibility in policies, regulations and practices governing merging of funding sources; and
- lack of flexibility in spending policies and procedures.

During the first year of PDB implementation, the Brooklyn and Queens superintendencies provided considerable support for PDB implementation. In their pilot high schools, school teams were formed or re-formed and brought into conformity with the state's 100.11 regulation on school planning teams. The teams were reported to have worked collaboratively to prepare budget requests, to budget a mid-winter surplus allocation, to help determine school priorities, and to work on the CEP and budget processes for 1998-99.

There were two major changes for PDB pilot high schools in 1997-98: a partial early tax levy allocation and an annualized budget.. Under the direction of Dr. Margaret Harrington, who became Chief Executive for the Division of School Programs and Support Services in June, 1997, a range of reform initiatives were also introduced for all high schools citywide.

Dr. Harrington told the evaluators, "If schools have enough resources, and they get them early enough for planning and careful assignment of staff, they'd have a better program and therefore better outcomes for students. Schools and superintendents need to be accountable for those outcomes. To feel accountable, they need to get their budgets early, make key decisions, select staff and plan their programs.

Superintendents who make resource decisions need to be able to look at the whole school before allocating additional resources. PDB will change the relationship between superintendents and schools and, therefore, what schools can do for students."

Surveys were sent to planning team members in the thirteen pilot high schools. In all, 44 team members returned surveys. The survey asked about team members' experiences with school instructional planning and budgeting before and after the introduction of PDB. In almost all seven categories hypothesized as being necessary for effective PDB implementation, survey results suggest that PDB high school team members are less involved in school level planning and budgeting than are team members from the PDB community school districts. Our results point to the possibility that implementation of PDB in the high schools has only begun to move in the direction of collaborative budgeting for instructional improvement.

CONCLUSION

Significant changes set in motion by the Central adminstration of the New York City Board of Education to implement a performance driven system in both the instructional and operational realms seem to reflect an encompassing vision of: (1) what schools require to make effective instructional decisions and configure their budgets to support those decisions and (2) the critical Central-level administrative and operational structures that must be transformed if schools are to make effective instructional and budgetary decisions.

The changes Central has set in motion suggest a major shift, from traditional forms of hierarchically mandated allocations, procedures and operations to a much more user-friendly support and provision system. This perception of a significant change in how Central has historically functioned may be overly optimistic; there are clearly individuals and offices at Central laboring to comply with new directions they may not fully understand. Nor does this apparent shift, at least at this stage, seem irreversible; a loss of momentum, new policy directions, or obdurate resistance might well contribute to a reassertion of command and control modes of budgeting operation.

Nevertheless, quite purposive activity is currently attempting to link and integrate many traditionally separated and fragmented operations and functions. If such integrating activity accelerates, it may prove possible to realign Central as a support structure for school-based instructional planning and budgeting.

CONCERNS

As the PDB initiative moves forward, challenges have emerged at all three levels of the system.

1. The centrality of planning as the mode of school improvement, and the relationship of planning to the kinds of capacity building that many poorly performing schools require, may be over-emphasized in this initiative. The CEP/DCEP system depends on school capacity to plan effectively for instructional improvement; the Board needs to concentrate efforts to ensure that poorly performing schools and districts have the *capacity* to support effective instructional planning processes.

2. The extent of alignment of the City's assessments with the New Standards content and performance standards is critical to effective school-based instructional planning. How closely will the new city assessments be aligned? The totality of the city and state assessments that New York City students take must reinforce a clear focus on the New Standards.

3. With systemwide high school reform efforts under way, it is unclear what the implications of systemwide high school reform efforts hold for PDB implementation in the high schools.

4. How far below top command levels does Central's commitment extend to its new role as a support structure to field-driven and school-based reform? Although there is some task force activity on staffing issues within the Division of Human Resources, school-level ability to hire and assign staff doesn't appear to have been appreciably improved. Although the original PDB design acknowledged school-based hiring as a critical ingredient of effective school-based instructional planning, progress on this issue seems slow.

   Another example of a lag on a critical variable has been the delay in allowing schools to merge separate funding streams in pursuit of more effective instructional planning. The request to create additional flexibility with the PCEN allocation, perhaps through waivers from SED, has been repeatedly advanced by several districts. Yet progress seems slow on both this specific example, as well as on the overarching need to merge separate funding streams for more effective school budgeting.

5. Now that the Chancellor's school leadership team policy has established the dual responsibilities of the teams, training to help them successfully fulfill their responsibilities becomes a crucial requirement for PDB effectiveness. Three kinds of training seem necessary: 1) training on what teams need to know to help them function effectively; 2) training on how to do instructional planning; and 3)

training on budgeting and finance issues. How will such training be conceptualized, organized, and funded?

6. The effectiveness of any accountability system depends on the delivery of useful data to districts and schools. For PDB, "data" means school-level outcome data explicating student achievement, delivered in a timely fashion, and differentiated by relevant quartile or other segment, demographic category, special education status and grade and classroom. We are not sure that such relevant data are being provided to schools in user-friendly formats.

7. The initial PDB design invested in the development of multiple district models, rather than opting for a traditional, centrally mandated, uniform implementation. This design choice seems to have paid off: all the Phase I districts, to some extent, seem to be integrating their PDB implementation into their developing modes of school-based instructional planning and budgeting. In two districts, Phase I efforts have reinforced strong, integrated models. Our concerns center on the subsequent phases of PDB development.

   The CEP must become the engine for driving effective school-level instructional planning, comparable to the function that the Galaxy budgeting system plays as the engine driving school-based budgeting. By 2000-2001, for example, all school teams must develop their CEPs and configure their budgets. Therefore, all districts, as well as supporting Central divisions and offices, must provide what schools need to build their capacity to do effective instructional planning and budgeting. Currently District 2 and District 22, of the Phase I pilot districts, seem to have the district-level capacity to help their schools become effective planners and budgeters by the 2000-2001 deadline. But a somewhat less intense pace of development exists in the other four pilot districts; and the Phase II and Phase III districts, by design and definition, are likely to be even less evolved.

   What will increase the pace of development in the non-pilot districts, and strengthen the efforts to build the capacity of school-level planning teams? Clearly, the *successful application* of both the Galaxy budgeting and CEP planning systems would make a major contribution to effective instructional planning.

   Earlier we questioned whether school-based capacity to plan will be successfully developed, particularly in low-performing schools that presumably do not have such capacity. We are also concerned with how districts learn to develop, and build, *their* capacity to help schools learn how to plan instructionally and to budget. Districts have not traditionally concentrated on learning how to help schools improve; district administrations have either assumed that the knowledge they need is already resident in their staffs, or else they have assumed that they could purchase the relevant expertise through consultant

arrangements. In many districts, the results of both assumptions have not brought about gains in student performance.

A specific example of this concern: Because the CEP is both the evidence, and the product, of school-level planning capacity, the CEP must be assessed by the district, in terms of its likely effect on improving the school's student outcomes. Yet many districts have not developed the expertise to assess the effectiveness of school-based planning documents, as opposed to screening those documents for compliance with Central, state and federal rules and procedures.

8. Earlier we stressed the need for the provision of effective training for the school leadership team. Because the initial level of training must come from the district, districts need to build their own capacity to provide the training and support that effective school teams require. Moreover, provision of effective training clearly requires considerable time investment. Districts, and Central, must change the definition of the school day and provide the contractual relief necessary to insure that school teams get the necessary time to carry out their planning and budgeting responsibilities.

9. The evidence from our first year's study indicates that the New York City school system's performance driven budgeting initiative has made a substantial effort to begin to transform a traditional command-driven bureaucracy into a flexible, response-driven, user-friendly support system that locates decision-making authority and responsibility for continually improving teaching and learning at the school level. But because PDB is still in its early stages, Central must maintain a single-minded, sustained focus, combined with an intense commitment to the change strategy, and a refusal to be deterred by predictable but daunting obstacles. Only consistently strong leadership at the heart of PDB, from both Central and the districts, can drive it forward and overcome the centripetal forces of inertia and reaction that have successfully destroyed most previous efforts to reform the New York City schools.

INTRODUCTION

Shortly after his arrival in New York City in October 1995, Chancellor Rudolph Crew articulated his vision of a "performance-driven" school system. For Chancellor Crew a performance-driven system:

- defines clear standards for student learning;
- identifies educational strategies for all students to meet these standards;
- aligns all resources, policies and practices to carry out these strategies;
- tracks results; and
- uses the data to drive continuous improvement and holds the entire system accountable for student performance.

To support his vision, the Chancellor developed goals and objectives that have framed the systemic reforms he has introduced over the past three years.

In 1996, Chancellor Crew introduced Performance Driven Budgeting (PDB), a form of decentralized budgetary decision-making intended to "provide local educators with increased control and flexibility over the use of resources so that they could engage in more creative program development, more effective problem solving, and more efficient use of resources to improve student performance."[1]

In May, 1996, ten members of the New York educational community attended a school-based budgeting conference sponsored by the Cross City Campaign for Urban School Reform, a national school reform organization. The New York City representatives included administrators from the Central Board of Education, representatives of the community school districts and high schools, education researchers, school reformers, and officials of the United Federation of Teachers. The conference was held in Edmonton, Alberta, a city with a seventeen-year history of implementing school-based budgeting. Presented with the example of a decentralized school system that seemed to be working for its students, parents, teachers and administrators, the New Yorkers formed an ad hoc lobbying group, the "Edmonton Ten," committed to developing school-based budgeting in the city's school system. The Edmonton Ten, which included members of Central's senior staff, formed the core of

[1] An Invitation to Partnership in the Design and Implementation of Performance Driven Budgeting, p.1

the PDB planning team which met throughout the summer of 1996 to hammer out the details of the Chancellor's Performance Driven Budgeting initiative.

A key recommendation of the PDB planning team was to establish a framework of goals and principles to "help us overcome the frustration and suspicion that exists between Central, districts and schools, and to reduce the conglomeration of rules and regulations which mandate how resources are used."[2]

Other recommendations of the PDB planning team were to: establish a multi-step process for selecting two or three community school districts and one high school superintendency to participate in Phase I; create a design team for each participating district; establish an overall project advisory committee; and obtain funding for a comprehensive evaluation to "help us to understand whether or not we are on the right track."[3]

In September, 1996, the New York City school system launched its full-fledged PDB initiative at Kingsborough Community College in Brooklyn. The Chancellor extended an "Invitation to Partnership in the Design and Implementation of Performance Driven Budgeting" to superintendents and a broad cross-section of the educational community. He outlined an implementation plan with a three- to five-year phase-in based on models created by the schools and districts implementing Phase I of PDB. The term "performance driven" was chosen, he said, because it "links this critical initiative to our more comprehensive and fundamental goal of constructing a performance driven school system in New York City, one which genuinely focuses its energies on the sole goal of improving performance in teaching and learning."[4]

Central issued an RFP and, in September 1997, a group of schools and districts participating in Phase I of PDB selected New York University to conduct a comprehensive evaluation. NYU and Deputy Chancellor Spence's office jointly developed an Evaluation Design, described on the following pages, that was presented to the PDB Phase I participants in December, 1997.

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[2] An Invitation to Partnership in the Design and Implementation of Performance Driven Budgeting

[3] *Ibid.*

[4] Letter to superintendent's dated 8/23/98

THE NYU STUDY

In response to the PDB Planning Team's recommendation that the evaluation "help us to understand whether or not we are on the right track," NYU designed a collaborative, interactive, multi-level study that responds to the dynamic nature of this innovative reform. Our evaluation contains three components: an implementation and impact assessment; a technical assistance component; and a reporting component.

The *assessment* component includes:

- An implementation assessment, documenting the approaches used by Central and Phase I districts and schools to move PDB from concept to reality; and
- An impact assessment, analyzing the results of PDB implementation in schools and districts in seven broad areas of policy and practice changes which we hypothesize as necessary components of successful implementation. The impact assessment will also analyze the initiative's effect on student outcomes, using quantitative methods.

The *technical assistance* component includes:

- Participation in the design of the PDB implementation, by providing ongoing feedback to Central about the progress of, and impediments to, the success of the PDB effort.
- Development of a web site and an on-line web conference center to facilitate information dissemination to, as well as communication among, participating schools and districts.
- Production of a paper by the Cross City Campaign for Urban School Reform that discusses useful practices in other cities attempting to implement school-based budgeting.
- Assistance to Central in developing the school-based budgeting regulations the 1996 school governance legislation called for.
- A management training program for district Directors of Operations and Central senior staff – a component added at the request of Central.

The *reporting* component includes:

- an interim report to help guide development of the November 1998 school based budgets regulations;
- annual reports in November 1998, January 2000, and January 2001; and

- reports to the larger educational community at annual conferences arranged by Central in November 1998, March 2000 and March 2001.

PDB Design

Performance Driven Budgeting differs significantly from the various forms of school-based budgeting that have been implemented in school districts across the country. In many districts, school-based budgeting is largely – and in some cases exclusively – a management or governance innovation. Such budgeting places responsibility for generating a school budget at the school, but makes no explicit linkage between developing budgets and generating instructional planning or improvement in student performance. PDB's critical component -- the linking of budgeting to improvement in instruction and student performance -- is what distinguishes Performance Driven Budgeting from other school-based budgeting initiatives.

The first few months of involvement with the PDB initiative gave the NYU evaluation team an intensive view of the development of this important and complex initiative. Through interviews, observations and the collection of documents at the school, district and Central levels, we sought to understand participants' perceptions of and roles in PDB implementation. Essentially we posed three questions:

- What is PDB?
- What would PDB look like if it were operating successfully?
- What changes are needed for successful implementation to take place?

Finally, by surveying participants, we obtained preliminary responses of frontline practitioners and parents to help us establish baseline school-based budgeting and school-based management practices. Ultimately, the three years of surveys and other school level research activities will provide us with the data to understand the extent and effects of the changes that PDB has introduced.

This first year analysis, through August 1998, focuses on how and to what extent the necessary conditions for the successful implementation of PDB are being created in the districts and at Central. In our second and third annual reports, we will assess the level and effectiveness of schools' implementation of PDB.

The following chapters describe our research design and the evolution of the PDB implementation process; analyze the implementation of PDB at the system level and in the districts and high schools; describe our technical assistance activities to date; and offer a provisional critique of PDB's current implementation.

CHAPTER 1:
EVOLUTION OF THE PDB IMPLEMENTATION PROCESS

New York City has a centralized school system in which various Central offices make most of the key decisions about instruction, operations and finance for the community school districts and high school superintendencies. To be successful, any attempt to move toward a performance driven system must decentralize many of these decisions, especially in the fiscal area.

Central's efforts to implement decentralized fiscal decision-making is taking place in the context of a system where all important fiscal decisions are closely controlled by Central. These include: how funds are allocated to districts; when those funds are released; how districts schedule their allocations; how and where districts spend money; and how they modify their budgets. These fiscal procedures are most often cumbersome, time consuming and inflexible. A 1993 report of the Educational Priorities Panel (EPP) concluded that "although the budget choices available to the Central Board and the Chancellor are limited by many restrictions, the Central Board enjoys a much wider range of policy options than has been delegated to the individual community school districts."[5]

The EPP study found that community school districts also made highly centralized budget decisions for their elementary and middle schools. "Superintendents and their staffs make the main allocation decisions for the community school districts within the limited range permitted." As a consequence, schools have little discretion over instructional, operational and fiscal decisions.

Until recently, there was no such thing as a school budget in the elementary and middle schools. Each district was responsible for all fiscal and budgetary matters for all of its schools[6]. By contrast, for the past two decades, the city's high schools have had some school-level control over specific school allocations; however, their ability to align their resources with instructional plans has been very constrained.

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[5] "Equity in the Funding of Public Elementary and Middle Schools in New York City," Executive Summary, p.i

[6] When a 1969 state law partially decentralized the school system, community school boards were given broad authority to operate elementary and middle schools. In reality, though, Central retained tight fiscal control over its nine billion dollar budget to ensure that no educational resources were wasted, stolen or otherwise unaccounted for. Under the 1996 state law, significant authority over district schools was transferred from the 32 community school boards to the superintendents, who now report to the Chancellor.

1996: THE PDB INITIATIVE AND A NEW GOVERNANCE LAW

Two significant changes in 1996 altered the organizational structure, fiscal policies and practices, and accountability mechanisms of the school system. The first, in September, was Chancellor Crew's announcement at a meeting at Kingsborough Community College, of an ambitious performance driven budgeting initiative, to be the central feature of a new performance driven system. Recognizing that change had to begin at Central, the Chancellor wrote that he was ". . . convinced that the historic highly centralized budgeting processes of the Board represent a fundamental impediment to realizing a performance driven system in NYC. We are therefore committed to moving swiftly to restructure the system's budget processes..."[7]

The second change, in December, was the Legislature's enactment of a school governance law that shifted substantial authority away from community school boards and vested it in the Chancellor, in superintendents and, to some extent, in schools themselves. For the first time, principals would be accountable to superintendents who would be accountable to the Chancellor.

The governance law also mandated that Central create school planning teams and institute school-based budgeting in every New York City public school. New York City's schools have had extensive experience with school planning teams[8]. But, according to the recently released Lab report, "Consultation about School Leadership Teams in New York City," there has been substantial development of school-based management experience across the New York City school system. And although "almost all schools currently have some type of planning, management or

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[7] 8/23/96 cover letter (to superintendents) to An Invitation to Partnership in the Design and Implementation of Performance Driven Budgeting

[8] School-based planning in New York City goes back two decades, beginning with the CSIP (Comprehensive School Improvement Project) planning teams mandated for low performing schools. When Chancellor Fernandez took office in 1990, he strongly encouraged school-based management/shared decision-making. A subsequent New York State regulation – Section 100.11 – required all districts to prepare a plan by 1994 for the "participation by teachers and parents with administrators and school board members in school-based planning and shared-decision-making." The federal Chapter 1 program, which permitted school planning teams to use Chapter 1 funds for whole-school improvement, gave many schools the opportunity to begin to learn how to budget some portion of their school funds.

advisory team,"[9] the Lab report found that these planning teams typically had no real decision-making authority over curriculum, budget or personnel.

Thus Chancellor Crew's focus on vesting authority over instructional planning and budgeting in school teams is a major departure from past experiences in New York City. "The centerpiece of our effort to bring decision making to the local level is the development of a school leadership team in every school dedicated to a performance driven system."[10] Or, as Deputy Chancellor Spence stated in December, 1996, "The way to improve education . . . is to ensure that every service we provide, every dollar that we spend, is evaluated and managed on the basis of its effects on classroom outcomes."[11] To realize the Chancellor's vision, responsibility for making decisions about instructional programs and allocation of resources had to be lodged at the school, and schools had to accept that responsibility and carry it out effectively.

These changes – the PDB initiative and the school governance law – present enormous challenges at all three levels of the school system. Central has to cede control over resource allocation decisions to districts and schools and reinvent itself as an internal service organization. Similarly, districts have to cede considerable control to schools, while developing an effective role as creators, facilitators, trainers and supporters of school-based planning and budgeting. In exchange for being held accountable for their students' performance, school teams must accept the multiple challenges of managing themselves, embracing and carrying out their new powers.

FALL, 1996: SELECTION OF PHASE I SCHOOLS AND DISTRICTS

From the outset, the PDB planning process was broad-based and collaborative, bringing many voices to the table to discuss how to make performance-driven budgeting a reality. On the recommendation of the PDB Planning Team, the Deputy Chancellor convened a PDB Selection Committee composed of individuals with a variety of perspectives internal and external to the system (Appendix B). Interested districts submitted proposals in response to the Chancellor's invitation issued at the

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[9] Executive Report of the "Consultation about School Leadership Teams in New York City" (August 98, Northeast and Islands Regional Educational Laboratory at Brown University), p.4

[10] The Chancellor's 1998-99 Budget Request, p.15

[11] "Strategic Reform Program for New York City Schools", presented on 12/3/96 to the NYC Comptroller's Second Annual Economic Development Conference

September 1996 Kingsborough Community College meeting. The Selection Committee reviewed and discussed the proposals and interviewed district and school personnel.

In a February 3, 1997 press release, the Chancellor announced that six districts (Districts 2, 9, 13, 19, 20, and 22) and two high school superintendencies (Brooklyn and Queens) had been selected to participate in Phase I of PDB (1997-98); a third, the International High School network in the Alternative High School superintendency, was added shortly after. Although Districts 9 and 20 were included in the initiative, they were not expected to implement PDB until the 1998-99 school year.

The Chancellor's February 3rd press release identified these areas of focus for Phase I:

- Identification of legislative, regulatory and oversight constraints imposed on the school system that limit schools' discretion in implementing local educational strategies;
- Restructuring of Central oversight functions to focus on student performance;
- Developing effective site-based decision-making and educational strategies to ensure the effective use of resources and to increase student, parent and teacher satisfaction;
- Providing information and allocating funds to districts as early as possible to enable effective school-based planning;
- Developing clearer, more transparent allocation methodologies for district allocations to schools;
- Giving schools incentives to save money;
- Reducing purchasing requirements to allow mechanisms other than Central contracts in procuring goods and services;
- Increasing schools' capacity to use tax levy and categorical funds to support integrated educational strategies and the more effective use of resources, and to increase schools' capacity to use special education funding for prevention and intervention programs in general education settings;
- Identifying flexibility in existing union contracts to increase effectiveness in staff hiring and scheduling;
- Restructuring the school day to enhance interaction among staff for increased in-service professional development or to allow for extended day programs;
- Devoting greater resources to professional development;

- Reducing unnecessary administrative burdens and shifting funds from administrative activities to instruction;
- Devoting resources to professional development in educational planning and budgeting for parents, teachers and administrators.

WINTER 1997: DEVELOPMENT OF VARIED DISTRICT MODELS

From January through March, 1997, each district selected to participate in Phase I began work with Central office staff on a "design team," to develop and implement the PDB model for that district. The expectation was that "variation among these [district] models will enable more opportunities for the development of innovative strategies and teach us more about the kinds of approaches that are likely to be successful."[12] System-wide implementation, by 1999-2000, would be based on one or more of the models districts developed in Phase I. Also in March, Deputy Chancellor Spence announced the allocation of $40,000 to each Phase I district to facilitate district and school planning activities.

SPRING, 1997: IDENTIFICATION OF SYSTEMIC ISSUES

Another function of the design teams was to identify "legal, contractual, accepted practice, or other constraints which limit local flexibility and discretion over the use of resources."[13] The design teams were to develop strategies to modify or eliminate these obstacles. Several strategies were devised for sharing ideas across districts: one individual from Central was to participate in all of the three or four design teams; a regular forum was to enable members of the design teams to discuss their approaches; and, to the extent possible, design teams were to be connected electronically.

Field-based and Central staff also met in committees to identify policy and coordination issues that needed to be addressed. The Deputy Chancellor established working groups with members drawn from all three levels, to develop recommendations in the five areas Phase I participants had identified for immediate attention:

- earlier allocations to schools;

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[12] An Invitation to Partnership in the Design and Implementation of Performance Driven Budgeting

[13] *Ibid.*

- design of an RFP for the evaluation of PDB;
- personnel hiring and flexibility issues;
- school-based budgeting and expenditure issues; and
- development of strategies to change city, state and federal regulations and laws that impeded effective implementation of PDB.

From March through June 1997, the Deputy Chancellor's Office focused its efforts on the first two areas: earlier allocations and developing an evaluation of the initiative.

Earlier Initial Allocations

Central and district staffs agreed on the immediate need to provide schools with allocations *prior* to the start of the 1997-98 school year, and early enough to link school budgets with instructional plans. Traditionally, districts and high schools received their initial allocations approximately four to six weeks *after* the July 1st start of the fiscal year, usually in mid-August. This year, the Deputy Chancellor's Office (DCO) worked with district and Central staffs to develop a strategy to provide district Directors of Operations with information that would help them make their own preliminary 1997-98 allocations to their schools.

For the high schools, the DCO facilitated another series of discussions among field and Central staff to identify specific areas that could be improved in the allocation process for the 1997-98 year. The identified areas were: 1) changing the timing of allocations; 2) providing more certainty that preliminary spring allocations would be fully funded when allocations became final; and 3) providing annualized allocations -- an allocation for the entire year, not only the fall semester. In June 1997 the PDB high schools received an earlier, annualized preliminary allocation that was fully funded in August.

As a result of the discussions with district, high school and Central staff, numerous systemic issues impeding early allocations were framed for elimination or modification (see discussion below). For the 1998-99 school year, Central established a June 1, 1998 target date for its initial allocation to districts and superintendencies, a full month prior to the start of the 1998-99 fiscal year.

Evaluation of PDB

During the same period, the DCO worked closely with school and district PDB participants to develop a Request for Proposal (RFP) for the evaluation of PDB. The RFP included a research component as well as significant technical assistance to

support the implementation of the initiative. The RFP was issued in July, with proposal review over the summer and selection of the evaluator (New York University) in September 1997. The DCO raised almost $1,000,000 in private funding for the three and a half year evaluation.

FALL, 1997 ACTIVITIES

Continuing into the fall of 1997, significant progress was made on a number of fronts, including developing the evaluation design, creating Galaxy -- the school-based computerized budgeting system -- and developing a new, computerized school-based budget request process. However, because of insufficient staffing and intensifying program demands in the DCO, Central's coordination of the PDB initiative did not meet expectations in two key areas: coordination of district design team efforts; and furthering a cross-district agenda for systemic change. As a result, the DCO added staff to work on the PDB initiative and requested that the NYU evaluation team intensify its technical assistance efforts.

On December 10, 1997, Deputy Chancellor Spence, Chief Financial Officer Donohue, other Central staff and the NYU evaluators met with over 40 Phase I participants from every PDB district. Mr. Spence articulated his vision of the 'virtual community' NYU would facilitate with web-based communication "to help disseminate learning as fast as possible and as a mechanism to come together and learn together." To overcome Central's limited technological infrastructure, Mr. Spence pledged that Central would look at "an interim solution of providing a laptop to every school involved in PDB for administrative staff to have access to that virtual community." The web site would also "enable us to communicate a potentially powerful message of school accountability to the people of New York." Since the meeting, Central has purchased laptops for all Phase I participants and NYU has created the PDB Web Conference Center to facilitate web-based communication.

Also at the December 1997 meeting, the Executive Director of the Division of Human Resources, Howard Tames, spoke about the systemic impediments to local hiring, which Mr. Spence said "must become a local choice, like school based budgeting." Mr. Spence said that "the focus this past year was supposed to be to identify impediments to flexibility. We didn't do this." The discussion that ensued highlighted a number of systemic issues participants wanted to address, including: hiring flexibility; staff quality; centralized help obtaining consultants; helping hard-to-staff districts recruit better staff; providing flexibility in linking investment decisions and instructional improvement; making categorical funding more flexible;

providing quick responses to schools seeking budget modifications; ensuring special education funding flexibility; simplifying requirements for multiple instructional plans mandated by the state and Central; linking monitoring to system goals; and decentralizing maintenance and repairs. Finally, meeting participants raised a major challenge from the districts about the centralized way in which a supposedly decentralizing initiative was being managed.

MAJOR CHANGE IN IMPLEMENTATION DESIGN: FIELD-BASED APPROACH

In March 1998, Deputy Chancellor Spence introduced a major change in the PDB implementation design. "While many of the [Phase I] superintendencies made strides in linking instructional goals and resource use in participating schools, we have been less successful over the past year in removing the Central institutional and regulatory barriers to local discretion."[14] In place of the design team approach, he announced a new field-based decentralized approach that was "predicated on the notion that the first response point in the system to school-based issues is at the district level."

As Mr. Spence described it, the new field-based approach would have three tiers:

- Tier I consists of a Core Group of Directors of Operations from the six community school districts and Directors of Operations from two Phase II districts (Districts 10 and 27), whose task is to develop and implement a field-based, system-wide approach to PDB, and to provide peer-to-peer professional development, support and technical assistance.
- Tier II consists of senior Central administrators who would serve as advocates on behalf of Phase I and II districts, shepherding field-based issues through the Central system.
- Tier III, consisting of the Central executive staff that reports to the Deputy Chancellor, tracks and addresses issues that are systemic or that resist resolution at the first two tiers.

Beverly Donohue, Central's Chief Financial Officer, became responsible for coordinating Central and district-based PDB activities. Liz Gewirtzman, Director of Operations in Community School District 2, became the Core Group Leader and PDB Project Director. The Core Group met five times from March through August

[14] 3/2/98 Memorandum to superintendents from Deputy Chancellor Spence

1998, to develop a plan for developing the Galaxy system and for training the community school districts to use the system.

PHASE II

In his March 1998 memorandum to the superintendents, Deputy Chancellor Spence also issued an "Invitation to Participate in Phase II" to all superintendents whose districts were not already participating in the PDB Initiative. PDB and the new three-tiered approach were discussed at the March Superintendents' meeting.[15] At the May Superintendents' meeting, a team consisting of District 22 district and school personnel and school board members made a presentation about their District's experience with collaborative school based planning and PDB.

Twelve community school districts opted to join Phase II: Districts 3, 7, 8, 10, 11, 15, 17, 23, 24, 27, 28 and 29. District 75 (Citywide Special Education) and the Division of High Schools chose to participate as well. In July, 1998, Phase II superintendents and/or directors of operations met with the Deputy Chancellor, the Chief Financial Officer and the Core Group Leader, Liz Gewirtzman, as well as a team from District 19, one of the original Phase I districts. Mr. Spence informed the Phase II group that he "concurs in this project, but I no longer drive it. The driver's seat is now in the districts," with the Core Group representing what Mr. Spence called "field-driven leadership."

Phase II districts were to be given: a Phase I Director of Operations "buddy"; a support group -- which would eventually become a task group -- of other Phase II districts; a $40,000 grant to help each district support the PDB effort in its schools; a Central advocate; and management training in areas identified by the Core Group. Further, Mr. Spence promised that PDB implementation would be coordinated with the roll-out of school leadership teams, so that the responsibility of the teams -- to develop Comprehensive Educational Plans and school budgets aligned with those plans -- would become an integral part of PDB.

Phase I community school districts also decided to expand the number of schools that would implement PDB during Phase II.

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[15] The Chancellor and his deputies hold monthly meetings with the district and high school superintendents.

IMPLEMENTATION TIMELINE

The timeline for school leadership teams (SLT) and PDB implementation was outlined by Deputy Chancellor Spence.

Table 1.1

Date	Steps Toward Implementation
1998-99	Districts and schools develop organizational structures for SLT's.
Nov 98	School Leadership Team (SLT) plan is put in place.
Jan 99	Regulations instituting school-based budgeting are promulgated.
Winter 99	Community school districts receive training on the Galaxy system.
Spring 99	All community school districts input 99-00 budgets into the new computerized system (Galaxy), with many schools creating their own budgets.
1999-00	All schools will have functioning SLT's, that will develop Comprehensive Educational Plans; many also develop their budgets.
1999-00	High schools and District 75 input 00-01 budgets into Galaxy.
2000-01	SLTs in all schools create their own budgets.

CHAPTER 2:
RESEARCH DESIGN

In the first year of the evaluation, we did not expect to find either evidence that PDB was fully implemented in the schools, or the effects of that implementation on improvement in student outcomes. Instead, our research in this first year has focused on assessing whether PDB implementation is "on the right track" by collecting and analyzing data documenting its implementation by Central and the community school districts and high schools.

Both Central and the districts must work to create the conditions needed to support successful PDB implementation in the individual school. These conditions include:

- Creating a school planning team that has the data and information necessary to carry out instructional planning, and the training and support to do its work.
- Focusing the team's work on developing an instructional plan to improve student achievement, and developing a school budget that supports the instructional plan.
- Implemening an accountability system, embedded in all levels of the system, that fosters continuous improvement.

DOCUMENTING THE IMPLEMENTATION OF PDB IN PREPARATION FOR ANALYZING ITS IMPACT ON PRACTICE:

Analytical Framework:

To measure the extent to which PDB implementation has progressed, we developed a framework of seven areas of policy and practice that must change if PDB is to be implemented successfully:

- Authority in budgeting, spending, personnel matters and instructional planning must be moved to the school level.
- Resource allocation policies and practices must be restructured to support school level instructional planning and budgeting.
- Information must be provided in understandable form, to support school planning and budgeting.
- Training and resources must be offered to support school teams in the work of instructional planning and budgeting.

- Less hierarchical decision-making relationships and structures must be created at all levels.
- Clear responsibility for accountability and effective public reporting mechanisms must be established.
- A culture must be developed that supports school decision-making and continuous school improvement.

The first four areas in this schema are necessary preconditions to successful PDB implementation; the last three are contributory. All seven guided our data collection described below.

Research Design:

Central Level

At the Central level we conducted formal interviews with a wide range of senior staff, attended a variety of meetings, had numerous informal contacts, observed conferences and forums, and gathered documents to gain insight into Central processes.

Interviews

We developed a protocol for interviewing senior executive staff at the Central level, and conducted thirteen interviews from April through September 1998. [Appendix C]

Our interviews asked the respondents how they defined PDB, how the implementation of PDB had changed their office's administrative structure and processes; how PDB had changed the nature of information dissemination from their office; what changes in policies or practices encouraging school level decision-making they thought would occur with PDB implementation; and what the implementation schedule for PDB was for their office. System-wide questions probed the development of the relationship between PDB and a performance driven system; identification of barriers to the effective implementation of PDB; the respondent's perception of how Central, the districts and schools will be held accountable under PDB; and whether the respondent's office sought changes in federal, state or Central policies and/or practices that hindered PDB implementation.

Meetings

We participated in several meetings with senior finance and other operations staff to help develop strategies for PDB implementation. We held feedback meetings with those responsible for PDB implementation. We attended meetings with senior executive staff and information technology staff at Central, as well as with staff in district offices, to develop a technical assistance strategy to facilitate communication among PDB schools and districts. The Deputy Chancellor's Office provided access to key Central staff for informal meetings to help guide us in determining where and how PDB activity was taking place.

Observations

We attended one national Cross City Campaign conference at which New York City PDB participants and leaders made presentations, and observed and/or participated in two meetings called by Central -- one of Phase I participants, and one of Phase II superintendents.

Document Collection

For the 1996-97 and 1997-98 years, we collected and conducted a preliminary analysis of budget memoranda and budget request data, reports and documents from the Chief Executives, the High Schools Division and the Division of Support Services, as well as assessment tools, planning documents, and memoranda and circulars relevant to the implementation of PDB. We also collected and analyzed many other pertinent documents from Central.

District Level

The evaluation targeted the six community school districts (Districts 2, 9, 13, 19, 20, and 22) and three high school superintendencies (Queens, Brooklyn, Alternative) participating in Phase I of the PDB implementation, as well as two control districts, Districts 6 and 30, that did not participate in the Phase I implementation.

Interviews

We conducted 21 interviews with superintendents and other district staff about their practices and policies prior to and during the first year of PDB implementation. We probed the district's organization and administration of allocations and budgeting; the role schools played in shaping their own budgets; the decision-making structure at the school level; district fiscal and instructional accountability practices; the nature of the budgetary and fiscal information the

district disseminated; and the extent that district policies and practices encouraged school-level instructional improvements.

Finally, to parallel the questions we asked at the school and Central levels, we asked superintendents to describe the major obstacles to effective implementation of PDB at the school, district and Central levels, and whether major policies or practices needed to be changed at the Central, state and federal levels to increase the district's effectiveness in implementing PDB.

Observations

We observed three district level meetings: a District Planning Committee meeting, an allocation conference with all district schools, and a high school principals' meeting with their superintendent.

Document Collection:

We are gathering documents from the Phase I and control districts and high school superintendencies detailing: the district-to-school allocation process; district training and/or information about PDB; and school Comprehensive Educational Plans and budgets. We have catalogued these materials and conducted a preliminary analysis.

School Level

We conducted school-level research activities – surveys, observations, interviews and document collection -- in four (Districts 2, 13, 19, and 22) of the six Phase I community school districts, in all three Phase I high school superintendencies and in the two control districts. We developed the following research instruments for use at the school level:

School Information Forms:

School Information Forms were distributed to superintendents at the initial meeting with PDB Phase I participants. All PDB schools were asked to indicate the name and constituent group of each member of its school planning team. The information collected on these forms was used to create a pool of respondents for the surveys.

Surveys:

The surveys, developed for principals, teachers and parents, were designed to collect information about activities during two years -- the base year prior to PDB implementation (1996-97), and the first year of implementation of PDB

(1997-98). Our sample of survey respondents included at least three individuals from each school: the principal, the UFT representative and the PA/PTA president. In addition, if the School Information Form indicated that there were other parent and teacher members on its planning team, three teachers and another parent were selected from those members.

The survey questions probed the respondents' knowledge of budgeting and their perception about their school's flexibility in hiring and spending, as well as their sense of the constraints limiting budget choices. The survey also probed respondents' views about the relative influence of individuals and groups in the school's budgeting process, and explored perceptions of the relative power of the school to control its own budgeting and spending.

A cluster of questions focused on the school planning process itself, including the composition and structure of the planning team, the availability and usability of student data for instructional and budgetary decisions, team members' perceptions about the school's and the team's power to make real budgeting decisions, and the availability of budget training and support for teams. A final set of questions explored the extent to which information about the budgeting process was shared with parents.

The self-administered survey was mailed in March 1998 to principals and selected teachers and parents in 36 Phase I PDB schools in 4 community school districts and three high school superintendencies. Additional surveys were mailed in June 1998 to principals, teachers and parents in a control group of four non-Phase I schools in two community school districts. (Appendix A lists all Phase I schools and Phase II districts.) The table below shows that there was a 63% return rate for Phase I schools and a 57% return rate for control schools.

Table 2.1

	Phase I schools			Control Schools		
	Mailed	Returned	% Returned	Mailed	Returned	% Returned
Principal	36	28	78%	4	4	100%
UFT Rep	36	22	61%	4	2	50%
Other Teachers	76	52	69%	12	8	67%
PA/PTA	46	21	46%	5	0	0%
Other Parents	16	8	50%	3	2	67%
	210	**131**	**63%**	**28**	**16**	**57%**

Case Studies

From February through June, 1998, we looked more closely at seven schools, selected by superintendents from each of four Phase I districts and the three high school superintendencies. In these case study schools, we conducted interviews, observed team meetings and collected documents to carry out our case study of these seven schools. In June 1998 we conducted interviews in the four schools selected as controls.

Interviews

We developed protocols for interviewing principals from Phase I and control schools at the beginning of the evaluation (January – February 1998) and at the end of the 1997-98 school year. We asked principals about the composition and structure of their planning teams and the planning and budgeting activities in their school, for both the 1996-97 and 1997-98 school years. We also asked them about their school's process for completing its Comprehensive Education Plan and budget for 1997-98 and 1998-99. We asked principals to describe what they expected PDB to accomplish for their school, and what they felt were the main barriers to PDB implementation at the school, district and Central level.

Table 2.2

	Initial principal interviews	Follow up principal interviews	Other interviews	End-of-year interviews
Phase I schools	7	5	3*	4
Control schools	2	0	0	4

* We conducted one group interview with five high school principals, one interview with a UFT representative and one interview with a PTA president.

Observations

From February 1998 through June 1998, we observed 29 school planning team meetings and four other meetings -- two sub-team meetings, one PTA meeting and one faculty meeting.

Observers wrote detailed narratives after each observation, focusing on: team composition and organization; team functioning and decision-making; information used in decision-making; and school culture, climate and philosophy.

Observers paid close attention to the content of the team discussions, how issues were resolved and the level of participation of various team members. They considered the following issues about the quality of the interaction among team members: Who ran the meetings? What role did the principal and others play?

Whose voices were listened to? How collaborative was the process? Did the team discuss improvements in the instructional program? What data did they use to inform their discussions? Were any obstacles to the successful implementation of PDB identified or made apparent in team discussions? (Appendix D)

Document Collection:

In addition to conducting surveys, interviews and observations, we asked the seven Phase I schools we studied to supply planning and other documents for the 1996-97 and 97-98 school years. We have catalogued these materials and conducted a preliminary analysis of the documents.

Meetings of Core Group of Phase I Directors of Operations (DO), Phase II DOs & Central Advocates

We recruited the staff person to document the work of the Core Group and we expect to receive minutes from the meetings of the Core Group, Advocates, and the Phase II directors of operations. In addition, some of the senior Central staff serving as advocates were in our interview pool and are providing information about their roles and activities as advocates.[16]

ANALYZING THE EXTENT OF IMPROVEMENT IN STUDENT OUTCOMES

One goal of our evaluation of the New York City school system's implementation of Performance Driven Budgeting is to assess the extent of improved student- and school-level outcomes in Phase I schools.

In 1998-99, our quantitative analysis will begin to look at student-level data for all New York City public schools students in grades 3 through 8 in 1995-96, 1996-97, 1997-98, 1998-99, and 1999-2000, to identify any effects of the PDB effort in participating schools. Our approach will include both time-series and cross-sectional analyses. We will use multiple regression analysis to identify any results of PDB on a variety of standard BOE-collected outcome variables. We will examine changes in Phase I PDB schools over time, and compare outcomes in Phase I schools to non-Phase I schools. Our model will allow us to isolate school and district effects, and our control variables will effectively exclude effects such as socio-economic status, teacher characteristics and other exogenous factors.

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[16] The Core Group is the name given to the Phase I Directors of Operations who come together, in a change from the original PDB design, to provide field-based leadership and design initiative to the PDB effort. See Chapter 4.

The key to the estimation strategy is to set up sufficient counter-factuals. For this analysis, the critical question is not whether student performance improves or declines during 1995-2000, but whether it improves or declines relative to what would have been expected in the absence of PDB.

We will use panel data techniques that exploit both cross-sectional and time-series variation in the outcomes to compare student performance in schools implementing PDB to: (1) performance in those schools before PDB, and (2) performance in schools that have not yet implemented PDB. In districts in which schools are implementing PDB in different academic years, we can probe more deeply to compare the performance of schools that have implemented PDB to the performance of non-PDB schools in their own district, and then to non-PDB schools in non-PDB districts. This will allow us to get a sense of whether the process of reform spills over into other schools in a district and, statistically, offers the opportunity to reduce any downward bias in estimating impacts that would come from intra-district spillovers.

This year we refined the general model we will use for this evaluation, and concentrated on specifying the data we will need and how and when we will obtain them. In conjunction with the Central's Division of Assessment and Accountability, we settled on a student-level model (containing some school-level variables as needed), using elementary and middle school students, with the primary dependent variables being the citywide math and reading tests (at present the CAT-5 and the CTB). We will also analyze other dependent variables, such as student mobility or attendance.

The Division of Assessment and Accountability agreed that the 1995-96, 1996-97, and 1997-98 data sets would be produced by the spring of 1999, with the other two data sets to follow in each subsequent spring. We are finalizing the set of student-level and school-level variables Central will make available to us.

TECHNICAL ASSISTANCE

In early October 1997, after the NYU proposal for the evaluation of PDB was accepted, the Deputy Chancellor stressed the necessity of an interactive evaluation with considerable feedback and technical assistance from NYU built into the design. Consequently, our role has included:

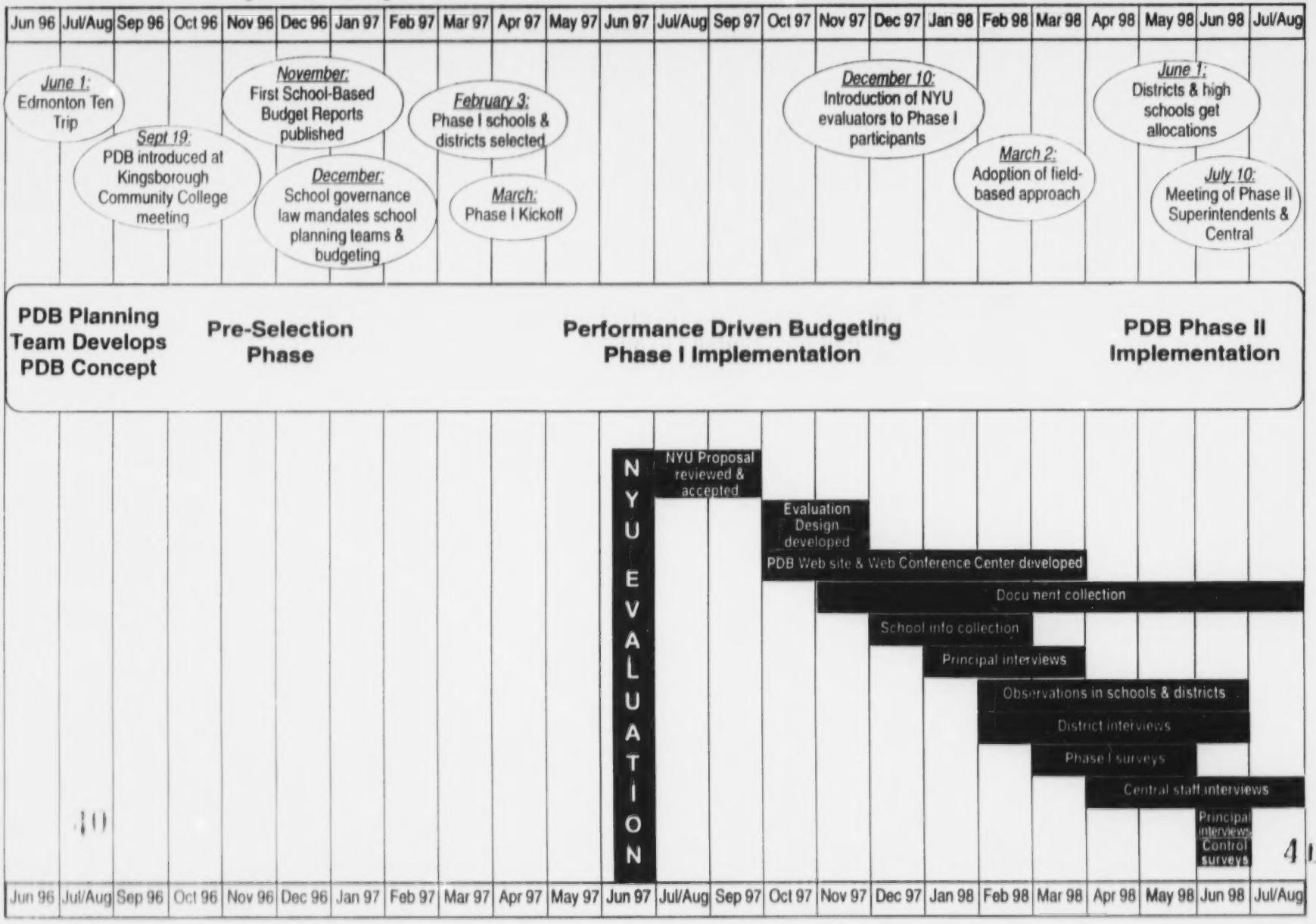
1) participating in the design of PDB implementation;
2) advising Central on how to facilitate online communication among PDB participants, particularly through development of a web-based communication tool;

3) providing a paper from the Cross City Campaign for Urban School Reform on the lessons to be learned from school-based budgeting efforts in other cities; and

4) providing assistance to Central in developing regulations on school-based budgeting.

In March 1998, at the request of Central, we added a fifth technical assistance component: a graduate-level training program at NYU's Wagner School of Public Service that provides the Directors of Operations in Phase I and Phase II districts with intensive exploration and analysis of a variety of issues critical to effective management.

Timeline of the Development and Implementation of the Performance Driven Budgeting Initiative and NYU Evaluation, 1996-1998



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CHAPTER 3:
PERCEPTIONS OF PDB: DEFINITION, VISION OF SUCCESS, CHANGES NEEDED

We began our interviews by probing the definitions of PDB from which participants at all three levels – Central, district and school – were operating. We also explored how participants at each level defined the results of successful implementation of PDB, and the changes at each level necessary for successful implementation.

WHAT IS PDB?

As early as the summer of 1996, the PDB Planning Team defined the goal of the PDB initiative as "redefin[ing] relationships and decision-making authority among the three levels of the school system so that decisions about the use of resources are directly linked to effective instructional strategies and improved student achievement." Since the concept of budgeting for instructional improvement at the school level is the central theme of PDB, stressed in all communications released by Central, it is not surprising that there was a high degree of definitional coherence among people interviewed at Central.

A similar description of PDB emerged through several interviews with community school district and high school superintendents. District responses, however, focused on what PDB would enable schools to do. A comment by Dr. Lester Young, Superintendent of District 13, was typical of leadership perception in the four Phase I districts. Dr. Young said that PDB is "a school-level mechanism for achieving communication, input, collaboration and consensus about how to support effective instructional decisions through the school's budget." It is, he said, "a way to get to instructional improvement defined by outcomes."

High school superintendents told us that PDB would lead to better school level planning, through greater collaboration and more flexibility in funding and staffing. The high school superintendents believed that PDB would also give the schools the ability to create programs that more closely reflect the needs of students, and that are more cost effective.

"Opportunity" sums up the definition of PDB given by Phase I principals in June, 1998 interviews. Principals of two of the PDB elementary schools said PDB is an opportunity to have complete control over all school funds, and to use them in the way the school deems best to improve student achievement.

The principals of two of the PDB high schools also saw PDB as an opportunity to improve student outcomes. One principal said PDB would let the school "create a

school budget based on the school's needs – what it needs to meet standards, to improve." Another said that, "under PDB, you can use the budget to leverage school reform and restructuring in ways that improve student learning outcomes. Traditionally the overriding principle surrounding the budget at the system and school levels is the issue of funding equity – whether the student learns or not or whether it is an effective learning environment is not relevant. Under PDB you can actually move dollars around."

IMAGES OF SUCCESSFUL IMPLEMENTATION OF PDB

In our interviews, we asked Central staff to specify their criteria for success. At the district level, we asked superintendents what kind of outcomes they would expect if PDB were implemented successfully. Finally, in June 1998, we asked PDB principals what PDB means for them and their schools.

Perceptions at Central

Chief Financial Officer Beverly Donohue, responsible for coordinating PDB implementation, described success as linkages between instruction and budgeting at the school level. "Success is to walk into any school in New York City and find that there is understanding of how finance and instruction are linked. Ultimately, through the linkages we will achieve greater student achievement."

Robert Tobias, Executive Director of the Division of Assessment and Accountability, linked instructional planning to performance assessment. He said that school level decisions should be based on "an analysis of the performance of [the] school, district and students in relation to standards established for student achievement." Dr. Tobias then completed the linkage with the school budget: "We'll know we're successful," he said, "if we look at the spending plan of a school and ask the team how they arrived at it, and we start hearing justifications like, "We looked at the data and determined these needs . . .'"

Other Central staff linked the need for earlier availability of money to effective school planning and staffing. Dr. Margaret Harrington, Chief of School Programs and Support Services in the Division of Instruction, said that "if schools have enough resources, early enough for planning and careful assignment of staff, they'd have a better program and therefore better outcomes for students."

Lou Benevento, Executive Director of the Division of Financial Operations, wants to see schools "have money available as early as possible – in April or May [and] have immediate access to their budgeted money during the year." He also spoke about the

need for efficiency throughout the system. "When we start to . . . reward school officials and even Central staff for being efficient, then we have succeeded."

The Budget Office, said Judy Solomon, Deputy Director for Instructional Programs of the Budget Office, would like to see all districts sufficiently well trained and operating so prudently that they need little Central monitoring and can themselves provide support for schools in fiscal areas. Ms. Solomon also said, "we will be successful when districts no longer believe they have to camouflage records because Central is monitoring them."

Mitch Klein, project manager of Galaxy 2000, the computerized school budget program now under development, said that success will come when Galaxy is synonymous with "a school organization chart that reflects the programs and activities conducted in a school building."

Both CFO Donohue and Dr. Tobias thought PDB could push the system toward fundamental reform. Ms. Donohue thinks system change will come if there was "communication among the districts and among the schools. With horizontal communication, I am hoping the schools help us force more flexibility into the system. Hopefully, they will work together to demand change."

Dr. Tobias thinks "PDB could potentially produce an attitudinal change and reduce this sense of helplessness and cynicism on the part of lots of people in the schools, because they will have a role in spending dollars in their schools. *Then*, after they begin to engage in PDB, we'll see better alignment of services in relationship to the actual needs of students and the system's standards. *Then* achievement will improve. When you see this as a part of the larger system of making decisions about your schools, when people come together to create a common vision, you're talking about a fundamental reform of the school system."

Perceptions in the Districts

Administrators in the Community School Districts participating in Phase I of PDB indicated that successful implementation of PDB should result in greater school level accountability for student outcomes. Robert Riccobono, Superintendent of District 19, thought that "people in the school [will] understand and internalize that they have control of their schools. The catch is that if PDB is truly implemented and this happens, people will have no one to blame – a child, another teacher, the parents, the Board, no money, etc."

High school superintendents and their staff also saw PDB as leading to greater school level accountability. Don Roth, Senior Executive Assistant for Operations in the Brooklyn High Schools superintendency, looked forward to a more decentralized system in which "schools are going to have to be responsible for teaching and learning." Queens Superintendent John Lee thought "empowering schools is key, because schools are very different from each other."

Perceptions in the Schools

PDB school principals stressed the funding flexibility PDB provides to school planners. In one elementary school, the principal spoke about being able to "implement the educational focus of the school by using the funds flexibly."

A high school principal, whose school has been run collaboratively since its inception ten years ago, said that PDB "gave us the opportunity to think about resources differently. We devolved budgetary decision-making to the core instructional unit of the school [the school's instructional teams]. Every team chose to hire an additional teacher, leaving less resources available for their own per session. In effect, they all took pay cuts of $2000 to $7000 per teacher."

The need for early allocations was stressed by both elementary and high school principals. An elementary school principal said that the lateness of the budget every year hindered effective planning. She said that, if PDB resulted in earlier allocations, it would allow her school to purchase highly desirable outside programs that the school's parents and teachers were enthusiastically supporting.

In the high schools, school-based budgeting has been a reality for roughly twenty years. When asked what PDB meant to their school, one principal's comments typified the opinions of all seven high school principals interviewed: PDB "has not been realized systemically, so from all external appearances, there's not a lot of difference . . . Where it *has* changed, it's changed for everyone."

An elementary school principal, whose school has been involved in school-based budgeting and management for many years, spoke of several dramatic improvements that resulted from the flexible funding afforded by PDB. When planning for the 1996-97 school year, the school was able to take advantage of the district's changed school funding formula -- from one providing a teacher for each classroom, to a per-capita allocation formula. Under the new formula, this "grossly overcrowded" school (with second grade classes, for instance, having an average

enrollment of 35 students) received a large infusion of money that gave it "the flexibility to develop the proper relationship between teacher and pupil."

In 1996-97, the school team decided to spend its newly-found money to hire paraprofessionals for each kindergarten, grade 1 and grade 2 class. The school asked its reading teacher to evaluate the students to see which ones needed phonics help and then provided the new paraprofessionals with training in a multisensory reading program. The supervisors and reading specialists watched closely as the paraprofessionals worked with the identified students. The significant improvement in student reading achievement resulting from this effort convinced the school team to pay, the following year, for the paraprofessionals to receive training in a second reading strategy; many teachers requested and received training as well.

When we interviewed principals at the four control schools – all elementary schools – they indicated that once PDB was implemented in their schools, they were looking forward to:

- the authority to devise their own instructional programs, as opposed to those imposed on the schools by the district or Central
- money that their district currently withholds
- funding flexibility
- ready access to funds
- money to spend on programs chosen by the school
- training in budgeting and team processes
- responsibility for student outcomes.

All the administrators and staff we interviewed had optimistic projections about what PDB *might* bring if it were successfully implemented. But many interviewees also clearly expressed how much had to change to ensure successful implementation.

NECESSARY CHANGES IN POLICIES AND PRACTICES

What are the policies and practices of the school system that need to change if PDB is to be successfully implemented? We asked this question to people involved in implementing PDB at all levels of the school system. Their responses, which can be grouped into seven categories, appear as a table in Appendix E and are summarized below:

1. *Moving authority to the school level:* PDB participants at all levels agreed that Central control over schools has to be replaced by support for school autonomy – for example, seeking waivers to support local decisions involving flexible use of categorical funds – and turning over control of as much money as possible to

districts and schools. School personnel felt that one-way, top-down communication also has to change.

2. *Restructuring resource allocation policies and practices to support school level instructional planning and budgeting:* Participants at all levels agreed that the system's extremely cumbersome and inefficient accounting, budgeting and expenditure policies and practices greatly constrain school decision-making capacity. Of major concern are funding, spending and staffing inflexibility – e.g., the inability to merge funds across funding categories (PCEN, Title I and tax levy) and among general, special and bilingual education. Respondents saw budgets that are fragmented and code-driven, and unrelated to school programming, and complained that schools are unable to do long-range planning because of late, single-year funding practices.

   Respondents also felt that there is too much Central control over curriculum, instruction and assessment decisions, and too many uncoordinated, unfunded mandates from all sources.

   Also of major concern are the Central-controlled personnel practices that prevent schools from developing and effectively using school staff. Respondents at all levels said that there was a paucity of staff in both districts and schools with the time and expertise to do the administrative work of school planning and budgeting.

   There was some concern among district participants about the built-in inequity of using average teacher salaries to calculate district budgets. Hard-to-staff districts and schools worried about the sufficiency and equitable distribution of staff. Districts also worried about their lack of knowledge about outside consultants to help their schools learn instructional improvement strategies. One district worried about schools' ability to make equitable allocations among competing demands.

3. *Providing data in understandable form to support instructional planning and budgeting:* Central respondents said that they themselves do not provide either student performance data – in paper or electronic form – or school level fiscal data to support school decision-making in an appropriate and timely way. School respondents agreed with this; in addition, high schools reported receiving inaccurate school performance data.

   There were complaints from all levels that the main instructional planning tool (CEP) is not sufficiently flexible, is redundant and time-consuming, and is not yet linked to the school's budget.

4. *Providing training and resources to support school teams' work:* Participants at all levels expressed serious reservations about the success of a major systemic reform like PDB, if not accompanied by the necessary training and resources. There was concern about the lack of experience and expertise of parents and school staff in: instructional planning processes; budgeting, accounting and spending processes; understanding student and school performance data; school team decision-making processes; and the use of technology to support this work. School staff questioned whether either districts or Central have the capacity, knowledge and experience to provide effective training.

   Schools are worried that PDB phase-in will take place over too short a time period, given the lack of experience of staff and parents in school planning and budgeting.

5. *Creating less hierarchical decision-making relationships and structures at all levels:* District and Central participants said that schools and districts need to communicate and collaborate much more if they are to create pressure for systemic change.

   District and school participants worried about the difficulty of finding the time, resources and committed parents to do the work of the school leadership teams. They also said that schools lack management expertise. School participants were concerned about unequal power relationships on school teams and staff reluctance to be accountable within the new framework. There was a strong belief that parent and staff knowledge and capacity must be expanded if they are to play equal roles on school planning teams.

6. *Establishing clear responsibility for accountability and effective public reporting mechanisms:* Several accountability issues were raised. For example, actual school budgets and expenditure reports -- reflecting what is controlled by schools -- do not yet exist. While some districts have been developing their own budgeting formats and procedures for school-based budgeting, these will change with the advent of Galaxy, the computerized school budgeting tool. There is little accountability at the school level for student performance; schools are more often held accountable for compliance with state or federal mandates or for procedural accuracy. Furthermore, we were told, there is a great need for information about what instructional strategies work and are most cost-effective.

7. *Developing a culture supportive of school decision-making and continuous school improvement:* Field personnel and Central staff both feared that there is a lack of long-term commitment to system change at Central. Relationships and structures at all levels are top-down, with the top lacking confidence that schools

can make their own decisions and not understanding the support role they must play, and the bottom lacking trust that Central and the districts will truly cede control over resources. Many schools, especially high schools, felt that their districts and Central don't necessarily understand what schools need. High schools are worried that the new state standards will prove difficult for all their students to meet, and will be particularly difficult for English language learners.

Some schools mentioned the need for a more professional culture in schools, and better staff attitudes toward parents. A Central participant felt that school and district staff fear having responsibility, especially without the authority, resources, knowledge and training they need to succeed.

CHAPTER 4:
IMPLEMENTATION AT THE SYSTEM LEVEL

In this section, we focus first on Central's initial efforts to carry out the system level changes essential to a school-based budgeting system, particularly the systemic changes that affect district allocations and school budgets and spending. But, because PDB is part of a larger performance driven *system*, we also examine, briefly, those allied functions, primarily on the instructional side, that Central is changing to make the system more performance driven: functions such as governance structure, instructional planning tools, accountability mechanisms, and human resources.

Our analysis of system level activities is based on more than a dozen interviews with senior executive staff representing different functions at Central; discussions and correspondence with staff in the offices of Deputy Chancellor Spence, Deputy Chancellor Rizzo and Chief Financial Officer Beverly Donohue; attendance at meetings of Phase I and Phase II participants; and examination of materials collected from offices throughout Central.

CHANGES IN THE SCHOOL SYSTEM'S BUDGETING CYCLE

To understand how Central's budgetary policies and practices limited school level opportunities to configure budgets to support instruction, and how the changes Central has launched in the past two years are tackling those limitations, it is important to understand the school system's budgeting cycle previous to the initiation of PDB.

The Budgeting Cycle as it Existed Prior to Implementation of PDB

- Each fall, community school districts and high school superintendencies were supposed to consult with their school communities about budget priorities for the next fiscal year, starting July 1. Districts prepared budget requests – usually *pro forma* efforts -- and submitted them to the Chancellor.
- After holding public hearings, the Chancellor prepared a budget request for the entire school system which was submitted to the Board of Education and then to the Mayor. State budgets were officially due on April 1, but were almost always very late.
- The Mayor released his Executive Budget in the spring, informed by knowledge of state funding levels (if the State budget was passed). Prior to July 1st, the City Council passed the City Budget that included the Board of

Education's allocation. Because of consistently late State budgets, Central typically didn't learn what its final funding levels were until July or early August.

- In August, Central made initial allocations to the districts and high schools, using allocation formulas based on projected student registers and district average teacher salaries. Three different budgets were involved: general education tax levy, special education tax levy, and reimbursable (categorical programs largely funded by state or federal aid).
- Districts and high schools created their budgets in late August or early September.
- Central made subsequent adjustments, the most significant ones based on actual register counts taken on October 31st and (in high schools) March 31st.
- Some portions of the reimbursable budget were allocated later in the year, as they became available to Central.
- Districts and high school superintendencies submitted budget modifications for their schools throughout the year.

The 1996 school governance law, for which Chancellor Crew vigorously fought, required that the chancellor "establish in regulations a comprehensive process of school-based budgeting and expenditure reporting" that differed from existing practice by requiring school-based budgeting and collaborative school-based planning in all schools.

The School-based Budgeting and Expenditure Reporting Requirements of the 1996 Law

- The chancellor is required to allocate "projected revenues among community districts and their school[s] on the basis of objective formulae," and "develop a school-based budgeting process for schools under his or her jurisdiction."
- "The principal of each school [is required] to propose a school-based expenditure budget, after soliciting input . . . from all members of the school community."
- The community superintendent must review, modify and approve the proposed school budget.
- The chancellor must modify and approve the community school district budgets, as well as budgets for schools under his jurisdiction, and submit a budget to the Board of Education, which holds a public hearing prior to adoption.

- The chancellor must allocate funds approved by the City in "an equitable manner" to the districts and schools under his jurisdiction.
- The chancellor must provide a comprehensive system of public reporting on the final budget; must promulgate procedures to modify and reallocate monies; and must create a uniform system of budget requests, reports and appropriations.
- The chancellor must provide "appropriate technical support and training to school personnel, parents and other participants in school-based budgeting"; "a comprehensive planning and monitoring process to promote the implementation of school-based budgeting"; and "a collaborative school-based planning process involving parents, teachers, other school personnel and, where appropriate, students."

Although the governance law was not passed until the end of 1996, many of the changes needed to comply with the new law were anticipated by actions taken by Central earlier that year. One such action was a reorganization of Central's fiscal operations.

REORGANIZATION OF FISCAL OPERATIONS UNDER A CHIEF FINANCIAL OFFICER

Central functions are divided into two areas, Instruction and Operations, each headed by a deputy chancellor. When Harry Spence became Deputy Chancellor for Operations in early 1996, he consolidated all budgeting and financial functions under the newly-created position of Chief Financial Officer (CFO), soon filled by Beverly Donohue. She reorganized these areas, "reinventing the way budget and financial operations offices do business." A subsequent internal reorganization took place in March 1998 to further "prepare us for the changes required by the [1996] Governance Legislation, promote our desire to better serve the field, and permit us to be more proactive with respect to state budget allocations, aid and legislation."[17]

The New Budget Office

As part of the fiscal reorganization, the Budget Office underwent a major reorganization as well. The work of the Budget Office was divided into two areas, one responsible for all instructional budgets, the other responsible for all non-instructional budgets, such as the budget for administering and operating Central, and other functions, such as management of the Board's funds, interfacing with

[17] 3/13/98 Memo from CFO Beverly Donohue re: Reorganization

OMB, the City and State Comptrollers and the City Council, and technical support of Central functions. "The benefit of this reorganization," said Budget Director Marjorie Blum, "is that one deputy sees the entire instructional budget rather than having it split among high schools, community school districts and special education."

"Before PDB," added Deputy Director for Instructional Programs Judith Solomon, "our efforts were concentrated on making sure the district budgets were balanced and financial management was sound." Community school districts had little discretion and were confined to a passive role in the budgeting process. Indeed, the 1993 Educational Priorities Panel report, "Equity in the Funding of Public Elementary and Middle Schools in New York City," noted that "the budget process is viewed from the community school district level as almost totally dependent on decisions made by others. At the district level, budgeting becomes a series of adjustments that respond to directives from [Central] and the rules and mandates that have been imposed over time by union contracts, state and federal regulations and judicial requirements."[18]

"Now," said Solomon, "our focus is on empowering the districts to understand budgeting and forecasting and all related systems and activities sufficiently so that they can make wise choices and assist their schools." As part of what she referred to as their "kinder, gentler" approach, the Budget Office provides staff development and technical assistance – what Ms. Blum refers to as "one-stop shopping" -- to the districts to help them provide better support to their schools. Central's assumption, said Ms. Blum, "is that the district superintendents are fiscally responsible," and therefore the Budget Office doesn't need to maintain its previous level of fiscal monitoring and oversight.

Since 1996-97, the Budget Office has used a differentiated approach to determine how much monitoring and assistance districts needed. Using both fiscal and student performance indicators to determine categories of district performance, the office defined three groups of districts: a high functioning group whose performance indicated they could independently manage their budget decisions, practices and procedures; a middle group that needed some technical assistance; and "a low

[18] Educational Priorities Panel report, p.4

functioning group that needed strict monitoring and control, with intense staff development as our intervention strategy."

This differentiated approach freed up Budget Office staff to provide more direct support to districts requiring intense intervention, while allowing other staff to provide support and assistance as a service to more effective districts. Staff time was also freed up by the use of electronic communication with schools and districts (which also speeded up the budget modification process). Budget Office staff were able to offer what they called boot camps, at which district personnel were trained in budget and financial management practices, as well as individualized work sessions with Central staff. "A trust began to form and the old Budget Office as enemy began to fade away," said Ms. Solomon.

The Budget Request Process

The second area within the newly-reorganized Budget Division, Resource Management and Support Services, is headed by Deputy Director John Green, who set out to transform the budget request process from an exercise in producing wish lists into an opportunity for schools to see the importance of assessing their own needs and the "power they have to engineer their educational environment."

Prior to the 1996-97 school year, the budget requests from districts were open-ended "wish lists that often met with no new funding," said CFO Beverly Donohue. Since districts often submitted budget requests that would have doubled their actual budgets, "it wasn't a realistic process at the local level or at every step along the way," said Green.

In January, 1997, districts were asked to participate in a different kind of budget request process, described in the Chancellor's 1997-98 Budget Request as the beginning of the transition to school-based budgeting. Superintendents were asked to consult with their schools and submit a request describing how they would spend an amount not to exceed 10% of their general education tax levy allocation. Their proposed use of these *new* funds had to support the Chancellor's five instructional goals and objectives – early grade literacy and arts restoration, student outcomes, intervention/prevention, classroom technology, and standards and assessment -- and be consistent with the district's Comprehensive Educational Plan. (The process was changed to allocate funding for three mayoral initiatives – Project Read, Project ARTS and Project Smart Schools – that provided highly earmarked tax levy funds, instead of providing funds with greater local discretion.)

The 1998-99 Budget Request process began in December 1997 with a plan designed to encourage school level participation. Districts were required to have 10% of their schools develop their *own* budget requests in support of the Chancellor's goals and objectives and consistent with their District Comprehensive Educational Plan. Each district could make an additional request for up to 5% of its general education tax levy allocation in its budget request – all *new* money -- and they could enter this request into a new on-line system. (Budget Office staff provided training.) In response to this opportunity, 30% (341) of New York City's schools developed their own budget requests. The total budget request from the districts and high schools amounted to $151 million, and the Chancellor included this entire amount in his formal 1998-99 Budget Request, which was partially funded by the legislature.

When initial allocations were distributed for 1998-99, $100 million of the $151 million in new funding requested by the districts and high schools was actually allocated to them. According to Donohue, for many districts this additional allocation was "the first large amount of truly discretionary funding they had seen in many years." These funds were in addition to significant other new funding, including $70 million for summer programs for the most at-risk students, and ongoing funding for Project Read, Project Arts and Project Smart Schools, which could be used more flexibly than in the previous year.

As John Green described the budget request process, "The budget request [process] may not be linked to the district's overall budget, but it floats very close alongside the big ship. It informs the Chancellor's systemwide request. The short term effect is that it presents a view of what the New York City public school system is to everyone on the outside (and the inside as well). They see the programs and where we're going. It shows how money is actually being spent, in terms of the programs. It shows what will happen in the future." Hopefully, said Donohue, this kind of programmatic information from the schools should "enrich the discussion" with politicians about loosening restrictions on categorical funding. But, in terms of the schools themselves, the budget request process "is the vehicle that most clearly delivers to the local school team a way to assess its current environment and to learn how to budget."

Galaxy 2000: An Integrated School Budgeting Tool

At the core of the PDB effort is a radical change in Central's computer systems, now undergoing redesign to support bottom-up budgeting. Galaxy 2000 is a computerized

budgeting tool that will allow schools to enter their own budgets, update spending plans and obtain access to data warehouses and other management tools needed for effective school budgeting. Initially designed to accommodate the push for instructional improvement in District 2, Galaxy was reconfigured by Central staff as a pilot for Phase I of the PDB initiative, and is now undergoing a reconceptualization directed by the Core Group of district Directors of Operations, the Galaxy system will make all funding and budgeting decisions visible to all users. It will be "English-friendly, with the scaffolding transparent to the user," said Core Group Leader Liz Gewirtzman.

Central's current budget system is account-code driven. The Galaxy system the Core Group is designing "will be based on a school's table of organization, which we hope will be seamless with the school's Comprehensive Educational Plan." Flexibility will be provided through ASA, Additional Spending Authority, which allows districts with documented needs for additional funding (e.g., register growth) to spend money that is not yet allocated. Further, Ms. Gewirtzman said, budget modifications will be automatic. The system would use "collapsed codes," performing the monitoring function later, through fiscal analysis of expenditures.

Districts will be able to customize Galaxy to reflect their own school allocation policy decisions. However, "if the district reserves money, the schools will be able to see it – it's all transparent," Ms. Gewirtzman added.

Links will be established to other Central MIS systems – EIS (personnel), EBMS (budgeting), STARS (accounting), and Fast Track (purchasing). Galaxy will operate on the ATS terminals already installed in every public school in New York City. A standalone version was tested this year in PDB pilot schools in Districts 2 and 19. Implementation of the mainframe version -- Galaxy 2000 – will be over the next three years, as outlined earlier in this report.

School-Based Budget Reports

In November, 1996, Central issued School-Based Budget Reports (SBBR) that detailed how money was budgeted for each school in the city for the 1995-96 school year. Subsequently, Central issued both School-Based Budget Reports and School-Based Expenditure Reports (SBER) for the 1996-97 year, and SBBRs for 1997-98; the SBERs establish how money was actually used, as opposed to how money is budgeted.

The SBBRs and SBERs comprise a comprehensive, transparent budget accountability system that is unprecedented for any major school system in the country. They categorize all school system spending by purpose, or function; produce reports on spending by location, at the school, district and system levels; and produce reports for every school in the system, displaying all resources supporting services to students.

Chancellor Crew defines development of the SBBRs as a tool to achieve his long-term literacy goals for all students. As he wrote in the preface to the 1996-97 SBBRs, released in the spring of 1997, the reports are a tool the school system needs as part of its effort to "provide the planning framework and align its own human and financial resources for improved student achievement." He also views these reports as essential to his effort to comply with the 1996 governance law which requires the Chancellor to "establish in regulations a comprehensive process of school-based budgeting and expenditure reporting."

In January, 1998, in the preface to a document released with the 1996-97 SBERs, Chancellor Crew stated that "as local educators and parents have increased control and flexibility over their budgets, they will be able to use these reports along with student performance data to see whether spending patterns meet student needs. This information can then be used to target future spending in ways that further student achievement."

Central has consistently improved the SBBRs. For example, the 1996-97 SBERs more accurately distribute costs to schools than did the 1996-97 SBBRs, with many major categories reflecting actual spending and accruals by school, rather than the distribution of dollars on a per capita basis. At present, however, the SBBRs have limited usefulness to school planners, in part because school spending reflected in the SBERs are a mix of actual and per capita-distributed dollars. However, once linked to the Galaxy system, the SBBRs and SBERs should become essential in both school planning and accountability processes.

Earlier Allocations to Districts and Schools

CFO Beverly Donohue identified late allocations as one of two major impediments to the successful implementation of PDB. This year, with a state budget that was produced practically on time, Central was able to distribute the 1998-99 allocations to community school districts and high schools on June 1, 1998, more than two months earlier than was customary in the past.

Rollover of Tax Levy Funds

Prior to 1995-96, community school districts and high schools had to return all unexpended tax levy funds to Central; this mandate caused considerable last-minute scrambling to expend unused funds. At the end of 1995-96, 1996-97 and 1997-98, the City allowed community school districts to roll over of unexpended tax levy funds to the next fiscal year by community school districts. In 1997-98, the high school superintendencies were allowed to roll over their unexpended tax levy funds as well. The ability to roll over funds encourages more efficient and cost effective use of dollars.

The New Financial Operations Office

In the reorganized fiscal area reporting to CFO Donohue, Lou Benevento heads the newly-created Division of Financial Operations (DFO), which combines the functions of the Business and Administration Division and the Bureau of Supplies. The DFO has made some dramatic changes, especially in increasing the speed of Central's procurement and contracting processes.

Fast Track, one of the DFO's innovations, provides streamlined school purchasing through an on-line ordering system available through Central's ATS computer system, which is in every school. With over 180,000 items on contract from vendors, schools can order almost anything from a master file of contract items. With districts providing on-line approval, a notoriously lengthy, cumbersome, time consuming, error-prone, paper-based requisitioning process has been transformed into an efficient, user-friendly process that Mr. Benevento says takes thirty days from on-line school-based ordering to the school's receipt of supplies, materials and equipment. Schools may still use purchase orders for items not under a Central contract.

The DFO has also produced several simple, self-explanatory pamphlets – for example, a brochure explaining how to purchase equipment and supplies and a packet of information detailing how to become a Board of Education vendor -- as part of its effort to simplify and support school-level decision-making about school purchases.

"The district offices are still doing the same thing, the same old way," said Mr. Benevento. People in the schools need district support for school-based purchasing, he said, "and the districts have to change just as much as Central." The DFO identified and trained procurement officers in every district, and meets with them

monthly. "Schools and district offices must be given adequate resources and an appropriate level of training on business functions," he said. "In addition, authority to make local decisions must be delegated to this level and clearly defined. Performance measurements for business functions should be related to educational outcomes, and together be used to evaluate the districts and schools."

The DFO has begun to simplify other Central procedures as well. "We need to make big changes in SOPM [Standard Operating Procedures Manual] procedures, and we are," said Mr. Benevento.

GOVERNANCE STRUCTURE

The 1996 governance law required "a collaborative school-based planning process involving parents, teachers, other school personnel and, where appropriate, students." As a result, Central developed the Chancellor's Plan for School Leadership Teams, which sets out a powerful new role for school planning teams. "Teams are the primary vehicles for developing school-based educational strategies and ensuring that resources are aligned to implement these strategies. They are the communication link within the school and to the larger school community. They are responsible for evaluating the quality of the school's educational program and its effect on student achievement, and they maintain the school community's focus on developing educational strategies that lead to continuous improvement."[19]

School teams were given two primary responsibilities: to create the school's Comprehensive Educational Plan (CEP); and to develop – and later modify -- a budget and staffing plan that is aligned with the CEP. Central announced that schools would receive an allocation to support the development of school teams during the 1998-99 year.

Parallel to the Core Group's development of training to assist schools in implementing the Galaxy budgeting program, the Chancellor's Plan stated that Central would "partner with districts and schools to design detailed guidelines for CEP development."[20] The guidelines will address:

- the relationship between school CEPs and New Standards;

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[19] Chancellor's Draft Plan for School Leadership Teams (September, 1998), pp11-12

[20] Chancellor's Draft Plan, p.15

- the use of data to assess student outcomes and to identify areas that need attention;
- assistance in the use of PASS (Performance Assessment of Schools System-wide) to evaluate the quality of the current educational strategies and school environment;
- the use of best practice to formulate effective strategies to meet identified needs, and methods for developing specific, measurable performance indicators;
- guidelines for developing budgets that are aligned with the school's strategies; and
- methods for enabling teams to function effectively.[21]

Team parameters were defined: teams must have a minimum of ten members and "to the maximum extent possible," consist of an equal number of parents and school staff. The role of the principal, the "instructional and administrative leader of the school," is to foster "an environment in which collaborative decision-making can work."[22] Teams will develop "methods for engaging in collaborative problem-solving and solution-seeking that will lead to consensus-based decisions and, when necessary, effective conflict resolution strategies."

INSTRUCTIONAL PLANNING TOOLS

If school teams are to do school level instructional planning that improves their students' academic achievement, teams must have access to comprehensive, clear and understandable data that accurately describes their students' performance. Both the Instruction and Operations divisions of Central have set in motion a variety of efforts to provide schools with the range of data necessary to support effective instructional planning by school-level teams.

The Division of Assessment and Accountability (DAA), the traditional source of student outcome data, is currently working to define, organize and produce clear, comprehensive, disaggregated data useful to school teams. This past summer, the Division provided disaggregated skills reports to summer school teachers of 8th grade students who were working to improve their math and reading scores

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[21] the Chancellor's Draft Plan, pp.15-16

[22] the Chancellor's Draft Plan, p. 24

sufficiently for promotion to high school. This pilot effort foreshadows the kind of discrete, disaggregated teacher-friendly skills analysis the Division is developing.

Another example is ECLAS (Early Childhood Literacy Assessment System), which Central is developing with CTB-McGraw-Hill. ECLAS is a K-3 low-stakes performance assessment designed primarily to help teachers analyze young children's developmental progress in literacy and to use the results to reconfigure appropriate classroom instructional strategies; it also helps evaluate the effectiveness of early childhood literacy programs. ECLAS is a specific example of Central's overall effort, in partnership with the New York State Education Department, to produce an integrated city and state assessment system that aligns the New Standards the city is implementing with the state's Student Learning Outcomes.

On the Operations side, the ATS (Automate the Schools) system provides considerable student demographic and outcome data, as well as varieties of other school level data such as attendance, mobility, even school building repair information, to districts and schools. Though the current configuration of information may be difficult for school teams to assimilate, the ATS system is upgrading the accessibility of its student performance data through a new format, the Decision Support System (DSS).

The DSS presents student performance through multi-year summary data, reports, graphs, charts and tables. Its aim is to help principals effectively evaluate programs, interventions and student progress; improve their instructional planning; and increase their decision-making capacities. DSS data is updated monthly and provides disaggregations by grade, gender, ethnicity, LEP status, percentile rank and general education/special education for all citywide testing, as well as for other outcome variables.

Beyond the provision of data in increasingly disaggregated forms, the Division of Assessment and Accountability is also involved in developing and helping to implement PASS (Performance Assessment of Schools Systemwide), a school level evaluation instrument designed to help schools assess the quality of their education practice. Thus far, PASS has been used as both an internal self-assessment instrument to help schools identify areas that need improvement, and as an external monitoring tool for the Chancellor's Priority schools. DAA's hope is that PASS will evolve into a crucial diagnostic tool for School Leadership Teams.

Finally, Central's Division of Instruction has been deeply involved in developing the Comprehensive Educational Plan (CEP) which every school will eventually be required to complete. The CEP is the linchpin of Central's improvement efforts, because it requires School Leadership Teams to assess all the critical components of school performance and specify how inadequate performance will be improved. Through the CEP development process, school teams analyze current school performance by assessing varieties of student and school-level demographic and outcome data, identify areas of necessary improvement, specify goals and objectives, develop an implementation plan to bring about the desired improvement, and detail the resources necessary to carry out the improvement plan.

The District Comprehensive Educational Plan, or DCEP, is the analogous district planning document. The superintendent uses the DCEP to: produce and analyze the data on each of the district's schools' strengths and weaknesses; specify how the district will provide the supports and help develop the capacity each school needs to effectively implement its CEP; and describe the resources, including the professional development, that the district will provide to each school to aid its improvement efforts. A critical goal of the DCEP is to fold into one comprehensive planning document the multiple plans and budgets required by the state for reimbursable programs such as Title I and PCEN. The Instruction and Operations Divisions have been working with the State Education Department to accomplish that goal.

The CEP also forms the primary basis for the superintendent's evaluation of the principal's yearlong efforts, just as the DCEP is the primary basis on which the superintendent is evaluated by the Chancellor. Thus, at the level of comprehensive planning, the boundaries between instructional planning instruments and accountability mechanisms become quite porous.

ACCOUNTABILITY MECHANISMS

An effective performance-driven system depends on a reciprocal and interactive accountability system, in which the three levels of authority and function – the school, the district and Central – are each held accountable and hold each other accountable. As the previous section indicated, the CEP is both an instructional planning instrument for school teams, and an accountability mechanism critical to the interaction between the district superintendent and the principal.

The DCEP is both the converse and the reciprocal of the CEP. Thus the DCEP is at the core of reciprocal accountability: schools are supposed to use the DCEP to hold

the district responsible for support and aid, and the Chancellor is supposed to use the DCEP to hold the superintendent responsible for effective performance. Just as the CEP is the superintendent's critical instrument for evaluating principals, the DCEP is the Chancellor's critical accountability instrument for evaluating superintendents.

The DCEP is required of all superintendents in the Chancellor's model contract. It must address four broad areas: instructional leadership and professional development; organizational and administrative leadership; pupil personnel services; and parent and community involvement and participation. The DCEP is also the basis for the Chancellor's midyear review and annual evaluation of superintendents, since the same four areas that comprise the DCEP are the key foci of each superintendent's evaluation.

The DCEP provides the context for the superintendent's quarterly progress reports to the district -- public accounting sessions called for by the1996 governance law that also required the development of both model contracts for superintendents and a data-based superintendent's evaluation process.

A new Chancellor's regulation allowing the removal or transfer of principals for persistent educational failure adds another lever to the expanding accountability system. The 1996 governance law requires superintendent evaluation of principals on issues of educational effectiveness and school performance, rather than on the compliance and procedural issues that had been the basis of traditional evaluations.

The Chancellor's new regulation uses the data indicators and outcomes developed for the CEPs and DCEPs as the indicators superintendents must use to judge principal performance. One tool the DAA developed to aid these processes is the Comprehensive Performance Indicators (CPI) which provides a concise set of data that defines the performance of each of the district's schools in relation to a broad set of performance standards. "Persistent educational failure," for example, is defined in the new regulation as a pattern of poor or declining performance for two or more years on multiple indicators such as reading and math gain, gain in reading and math quartiles, special ed reading and math gain, LAB score gains, and percentage of students moving to less restrictive environments.

It should be noted that the success of the Operations Division in getting budget allocations to the schools by June 1st of this year was complemented by the earlier

dissemination of student performance data by the Division of Assessment and Accountability for the instructional planning that should help shape school budgets.

HUMAN RESOURCES

Successful implementation of school level instructional planning requires the development of school-level hiring, the provision of maximum flexibility for school level staffing and scheduling, and significant improvement in the quality of the existing teaching force and each year's entrants, especially for hard-to-staff districts. Though the Chancellor has repeatedly stressed that hiring "must become a local choice, like school-based budgeting," moving the power to hire to the school level has been proceeding very slowly.

The Division of Human Resources (DHR) ran local job fairs last spring, and established local placement centers in individual hard-to-staff districts. The Division is developing an on-line resume reviewing system that will make applicant review possible at the school level. A Task Force on Teacher Recruitment, Selection and Retention was formed last winter, and brought together interested constituency groups to discuss how the supply of high quality teachers could be improved.

To improve the retention rates of the current teacher cohort, the Division is improving the user-friendliness of its current procedures. It is piloting an automated payroll approval system for substitute teachers, creating explanatory booklets on personnel functions such as salary differentials and licensing, and developing a new set of training programs.

CHAPTER 5:
IMPLEMENTATION IN THE PILOT COMMUNITY SCHOOL DISTRICTS

In Chapter 4 we described the steps Central has taken to create the necessary conditions for the successful implementation of Performance Driven Budgeting. In this chapter we focus on the six Phase I community school districts which, through their implementation of PDB, are playing a critical intermediary role between Central and the schools.

Central's implementation strategy for PDB was to select, as pilots, those districts that had already substantially developed school-based budgeting and/or school-based planning, and to encourage them to continue to develop their implementation models. This strategy assumed that potential citywide models for the ensuing phases of PDB implementation would be generated by the strategies of the Phase I pilot districts.

The pilot districts' implementation strategies took the variety of forms that Central had hoped for; all built on their prior budgeting and planning experiences. Essentially, PDB accelerated the evolution of each district's particular approach to decentralized budgeting and school-based instructional planning.

Among the various forms of district implementation, we identified two highly developed models of performance driven budgeting in the work of District 2 and District 22. Both districts share numerous characteristics of effectiveness. Both are building PDB on their base of prior successful practice.

- The superintendents of District 2 and District 22, having served for a decade as their districts' chief executive officers, were quite successful in improving student performance. Both districts currently have few, if any, schools that can be characterized as failing.
- Both districts send a clear message to the school community that continuously improving student performance – especially in literacy – is expected of all school leaders and staff. Both provide extensive support and training to buttress their expectations.
- Collaboration, communication, trust and respect – attributes each district defines as key to success -- characterize the reciprocal relationships between schools and districts.
- Over the past five to seven years, District 2 and District 22 gradually instituted school-based budgeting in all their schools and devolved increasing financial

responsibility to the schools. The two districts made their budgets more transparent through publication of school allocations and the underlying formulas. Schools in both districts now enjoy considerable flexibility in how they budget their funds.

- Both districts provide support to help schools understand and use good budgeting practices.
- Parents and staff appear to be highly satisfied with the direction of each district and its schools.

Each district developed its own unique approach to budgeting for instruction -- an instructionally-focused, principal-driven planning process in District 2, and a highly collaborative, broadly participatory planning process in District 22.

District 2:

- Defines its most important role as helping schools do the work of improving teaching and learning. Another role is to intervene more directly when schools fail to improve.
- Provides interventions that involve a carefully selected menu of professional development, training, support and assistance options. One of the district's key roles is to help schools make appropriate professional development choices.
- Rechannels its discretionary funds to provide a significant percentage of the district's total budget for professional development.
- Focuses school decision-making on instructional improvement, with the principal as the key decision-maker, particularly over how the budget must be configured to support instruction.

District 22:

- Defines its most important role as helping schools focus on improving student achievement through collaborative planning and school decision-making.
- Develops district educational and budget priorities collaboratively, and expects schools to do the same. The school planning team is the financial decision-making body at the school level.
- Commits time and resources to the task of making collaborative decision-making work.
- Provides lump sum allocations to give schools maximum flexibility in aligning their resources with school plans.

A. PRELIMINARY SURVEY RESULTS

Because the community school districts that volunteered for Phase I of PDB had many years of experience honing their budgeting and instructional practices, we expected to see differences in practices and policies among districts with different levels of experience in school-based budgeting prior to the introduction of PDB. We wanted to explore whether some of the differences between PDB and non-PDB districts might also be a result of PDB implementation this past year.

We sent surveys to planning team members in 23 schools in four of the six Phase I pilot PDB districts: Districts 2, 13, 19, and 22. (We did not include Districts 9 and 20 in the survey because, although they were included in Phase I, they were not expected to implement PDB until 1998-99.) In the pages that follow, we examine survey responses from these four Phase I pilot PDB districts and compare them to responses from four schools in two non-PDB districts.

Our survey asked school planning team members, the group most knowledgeable about instructional planning and budgeting in their school, about their experiences with school instructional planning and budgeting before and after the introduction of PDB. We sent surveys to at least three team members in each school: the principal, UFT representative and PA/PTA president. Where there were more members on a school's team, we selected three additional teachers and another parent for the survey. In all, 87 team members from the 23 PDB schools returned surveys (63%), including 17 from 6 schools in District 2, 31 from 7 schools in District 13, 12 from 4 schools in District 19, and 27 from 6 schools in District 22. Sixteen team members from four control schools in non-PDB districts (57%) also responded.

The following analysis is based on preliminary aggregated results from surveying planning team members in PDB and non-PDB schools. We organized our findings using our schema of the seven areas of change hypothesized as necessary for successful implementation of PDB.[24] All our conclusions are tentative and stated as indications rather than definitive findings because of the timing of the survey and the small number of people surveyed.

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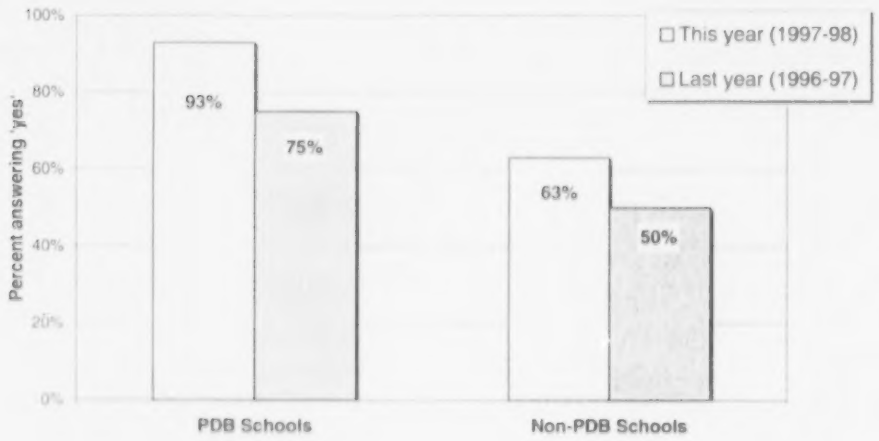
[24] The surveys were mailed to PDB respondents in March 1998; therefore, responses from this group do not reflect the June 1, 1998 allocation of school budgets. The surveys for the control schools were administered in June 1998.

1. Moving authority in budgeting, spending, personnel matters and instructional planning to the school level.

Survey responses from PDB and non-PDB schools suggest that the authority to develop budgets at the school level may be greater in PDB schools than in non-PDB schools, and that this authority increased during the first year of PDB implementation.

Respondents in PDB schools were almost unanimous in their perception that people in their school play a role in developing their school's budget. Ninety-three percent of the survey respondents in PDB schools vs. 63% of those in non-PDB schools responded positively to the question, "Did people in your school play any role in developing the budget?" Furthermore, respondents in PDB schools said that more people were involved this year than last year (93% vs. 75%).

Chart 5a: Did people in your school play any role in developing the budget?



2. Restructuring resource allocation policies and practices to support school level instructional planning and budgeting.

For successful PDB implementation to take place, school teams must have the ability to allocate the various funding streams that comprise their budgets.

As Table 5.1 suggests, PDB schools, especially those in Districts 19 and 22, are more engaged in budgeting than are non-PDB schools.

About two-thirds of the respondents in the PDB schools said that people in their school helped decide how to budget tax levy funds and almost as many respondents

answered affirmatively about budgeting PCEN and Title I funds. About one-third said that people in their schools helped decide how to budget bilingual and special education funds. In non-PDB schools, by contrast, respondents were only about half as likely to report that people in their schools helped decide how to budget these major funding areas.

Table 5.1: Did people in your school help decide how to budget the following types of funds?

	PDB schools (N=87)	Non-PDB schools (N=16)	District 2 PDB schools (N=17)	District 13 PDB schools (N=31)	District 19 PDB schools (N=12)	District 22 PDB schools (N=27)
Tax Levy	64%	31%	59%	42%	83%	85%
PCEN	57%	25%	41%	39%	83%	78%
Title I*	60%	38%	24%*	71%	92%	56%*
Bilingual/ ESL	32%	13%	35%	20%	59%	33%
Special Ed.	31%	13%	12%	26%	33%	48%

* In 1997-98 about half of the surveyed schools in Districts 2 and 22 were not Title I schools and did not receive Title I funds. All the surveyed schools in the other PDB and non-PDB schools were Title I schools and thus did receive Title I funds to budget.

Note: Survey respondents in PDB schools completed the survey in March 1998 *prior* to receiving their school's budgets, while respondents in non-PDB schools completed the survey in June 1998, after districts received their allocations.

* * *

Our hypothesis is that, for successful PDB implementation to take place, school teams must have the capacity to hire the staff they want to hire, and to assign their staff according to school needs. To test this hypothesis, we asked members of school planning teams about flexibility in staffing.

As Table 5.2 suggests, there seems not to have been significant change in policies or practices that support flexibility in hiring and staffing at the school level over the initial year of PDB implementation.

There appear to be only slight differences in the responses of team members from PDB and non-PDB schools. Both report some flexibility in the ability to hire staff and to schedule staff during the school day. District 19 schools appear to have more flexibility to schedule staff than do schools in the other districts.

Table 5.2: How much flexibility did your school have in these areas related to staffing?*

	PDB schools (N=87)	Non-PDB schools (N=16)	District 2 PDB schools (N=17)	District 13 PDB schools (N=31)	District 19 PDB schools (N=12)	District 22 PDB schools (N=27)
Hiring staff	41%	31%	53%	42%	42%	33%
Scheduling staff during the school day	44%	56%	41%	42%	75%	33%

*Percent answering 'a lot.'

* * *

Finally, we hypothesized that for successful PDB implementation to take place, school teams must be able to shape their own budgets across funding categories.

The survey results in table 5.3 indicate that PDB schools may have somewhat greater capacity to budget funds across categories than do non-PDB schools.

Sixty-three percent of the survey respondents in PDB schools, compared to 25% in non-PDB schools, said that their school was at least somewhat likely to be able to combine PCEN and tax levy funds to hire teachers. Almost one-third of the respondents in PDB schools, compared to none of the respondents in non-PDB schools, said their school was at least somewhat likely to be able to hire teachers with money earmarked for administrators' salaries. Districts 2 and 13 seem to have created more ability for their schools to hire teachers with money earmarked for administrators' salaries than have other districts, and District 22 seems to have given its schools more leeway to roll over money from one year to the next.

Table 5.3: How likely is it that your school COULD do the following?*

	PDB schools (N=87)	Non-PDB schools (N=16)	District 2 PDB schools (N=17)	District 13 PDB schools (N=31)	District 19 PDB schools (N=12)	District 22 PDB schools (N=27)
Hire extra class-room teacher with combined PCEN & tax levy monies	63%	25%	65%	52%	75%	70%
Hire teachers with money earmarked for administrators' salaries	31%	0%	53%	42%	17%	11%
Roll over money from one year's budget into the next year's budget	34%	25%	6%	32%	33%	56%

*Percent responding 'very likely' or 'somewhat likely'

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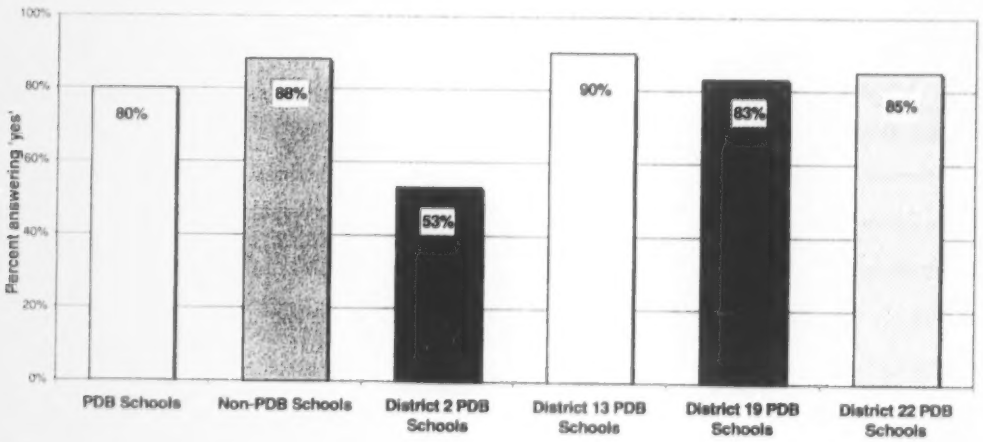
3. Provide the information, in understandable form, to support school planning and budgeting.

We hypothesized that for successful PDB implementation to take place, school planning teams must have access to student performance data that informs their decision-making as they craft a school instructional improvement plan.

The responses from two survey questions do not provide evidence that PDB teams receive student performance data that is significantly more useful in forming their instructional improvement plans than do non-PDB schools.

Responses to the first question show that a high percent of both PDB and non-PDB respondents said that their planning teams receive "any data on student performance."

Chart 5b: Did the planning team receive any data on student performance, such as standardized test results?



To understand how useful the data were to planning team members, we asked team members how useful the data were in identifying needs of at-risk students. Responses from PDB and non-PDB schools, shown in Table 5.4, were similar. Half or more of the respondents from both PDB and non-PDB schools said they found the data very useful in identifying the needs of students who do not meet reading or math standards or who have limited English proficiency. Fewer said they found the data very useful in identifying the needs of other at-risk students.

Table 5.4: How useful were the data your team received in identifying the needs of these at risk students?*

	PDB schools (N=87)	Non-PDB schools (N=16)	District 2 PDB schools (N=17)	District 13 PBD schools (N=31)	District 19 PDB schools (N=12)	District 22 PDB schools (N=27)
Students not meeting reading standards	64%	56%	47%	71%	75%	63%
Students not meeting math standards	63%	50%	47%	68%	75%	63%
LEP students	46%	56%	35%	35%	67%	56%
Students requiring special services	39%	38%	29%	32%	42%	52%
Newly arrived students	32%	38%	29%	26%	42%	37%

*Percent answering 'very useful'

* * *

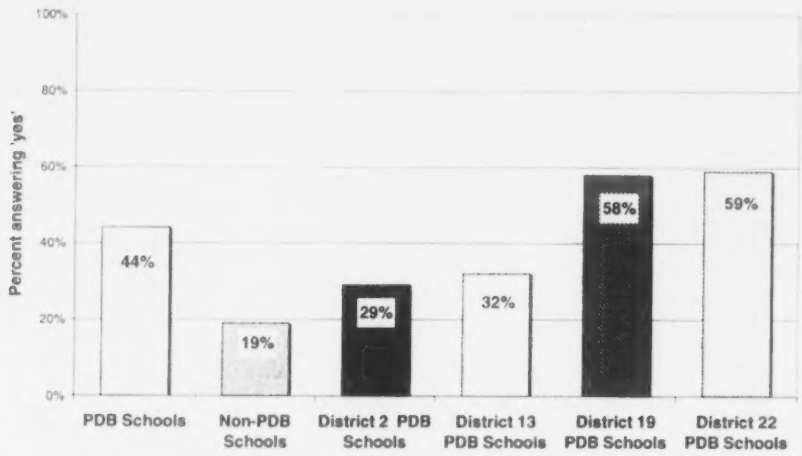
4. Provide the training and resources to support school teams in the work of instructional planning and budgeting.

We hypothesized that successful PDB implementation requires that school planning teams receive extensive training and resources to support their work.

Survey evidence reveals that fewer than half of PDB planning team members reported receiving any training at all.

As can be seen in Chart 5c, 44% of the surveyed planning team members in PDB schools reported that they received some training, compared to 19% in non-PDB schools. Twice as many team members in District 19 and District 22 PDB schools reported having received training than did those in District 2 and District 13 PDB schools.

Chart 5c: Did you receive any training for your work on the planning team?



5. Create less hierarchical decision-making relationships and structures at all levels.

We hypothesized that with successful implementation of PDB, the composition and leadership of school planning teams would broaden to include members of the school community other than the principal.

Survey responses (Table 5.5) show that PDB schools seem to engage parents, teachers and the school planning team in budgeting more than do non-PDB schools.

In PDB schools, a large majority of respondents reported that many people in their school, plus the school planning team itself, participated in developing the school's budget. By contrast, respondents in non-PDB schools reported considerably lower participation rates.

Among the PDB districts, a high percent of respondents from the District 13, 19 and 22 schools reported that other supervisors, teachers, UFT chapter chairs and especially school planning teams participated in developing their school's budget. Respondents from PDB schools in Districts 19 and 22 reported a high percent of parents participating in budgeting, too.

Table 5.5: Who in your school participated in developing the budget?*

	PDB schools (N=87)	Non-PDB schools (N=16)	District 2 PDB schools (N=17)	District 13 PDB schools (N=31)	District 19 PDB schools (N=12)	District 22 PDB schools (N=27)
Principal	94%	69%	82%	97%	92%	100%
Other supervisor	77%	50%	47%	77%	83%	93%
Teachers	**84%**	**44%**	**59%**	**87%**	**75%**	**100%**
UFT Chapter	80%	50%	35%	84%	92%	100%
Other staff	46%	38%	29%	39%	50%	63%
PA/PTA	**75%**	**44%**	**53%**	**61%**	**92%**	**96%**
Planning Team	**75%**	**50%**	**35%**	**90%**	**83%**	**78%**
Secretary	15%	13%	6%	13%	17%	22%

*Respondents were instructed to indicate all that applied.

Another hypothesis we tested was that school staff and parents would have greater influence over budgeting decisions.

Responses to two survey questions (Tables 5.6 and 5.7) seem to provide some evidence that principals, planning teams and parents are more influential in making budgetary decisions in PDB schools than in non-PDB schools.

Ninety-three percent of respondents in PDB schools, versus 69% in non-PDB schools, reported that the principal or other supervisor was very influential in deciding how money is budgeted in their school. By contrast, sixty percent in PDB schools, versus 31% in non-PDB schools, reported that the planning team was very influential in budgeting. In addition, while 46% of the PDB respondents reported that parents were very influential, there were no non-PDB respondents who reported that parents were very influential in school budgeting.

Table 5.6: How influential was each of the following people within your school in deciding how money is budgeted?*

	PDB schools (N=87)	Non-PDB schools (N=16)	District 2 PDB schools (N=17)	District 13 PDB schools (N=31)	District 19 PDB schools (N=12)	District 22 PDB schools (N=27)
Principal/other sup'r	93%	69%	94%	94%	83%	96%
Teachers	**33%**	**69%**	**47%**	**22%**	**42%**	**33%**
UFT chapter chair	39%	0%	35%	32%	58%	41%
Other staff	17%	0%	29%	16%	25%	7%
PA/PTA	**46%**	**0%**	**41%**	**39%**	**50%**	**55%**
Planning team	**60%**	**31%**	**35%**	**55%**	**67%**	**78%**

*Respondents were instructed to indicate all that applied. Numbers indicate percentage of respondents answering 'very.'

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Responses to another survey question – Who chaired the planning team? – indicate that in both PDB and non-PDB schools teachers appear to be far more likely to be the chairs or co-chairs of school planning teams than were other team members. However, 20% of the PDB respondents reported that parents chaired or co-chaired teams, while none of the non-PDB respondents reported parents chairing or co-chairing planning teams.

Table 5.7: Who chaired the planning team?*

	PDB schools (N=87)	Non-PDB schools (N=16)	District 2 PDB schools (N=17)	District 13 PDB schools (N=31)	District 19 PDB schools (N=12)	District 22 PDB schools (N=27)
Principal	33%	44%	29%	32%	50%	30%
Other supervisor	22%	19%	6%	6%	50%	37%
Teacher	**68%**	**81%**	**59%**	**74%**	**83%**	**59%**
Parent	**20%**	**0%**	**0%**	**10%**	**25%**	**41%**

*Respondents were instructed to indicate as many as apply, if there were co-chairs or rotating chairs

6. Establish clear responsibility for accountability and effective public reporting mechanisms.

We hypothesized that, with successful PDB implementation, and as part of an effort to keep the school system focused on continually improving performance, there would be an increase in reporting information to parents.

Survey results, shown in Table 5.8, provide no evidence that PDB schools are more likely to share information with the school's parents than are non-PDB schools.

A similar percentage of team members from both PDB and non-PDB schools said that their school shared information with parents about student performance, student performance goals, the school's instructional improvement plan, and the school's curriculum. They did not report sharing information about the school's budget with school's parent body.

Table 5.8: How much information was shared by the school with the school's parent body in the following areas?*

	PDB schools (N=87)	Non-PDB schools (N=16)	District 2 PDB schools (N=17)	District 13 PDB schools (N=31)	District 19 PDB schools (N=12)	District 22 PDB schools (N=27)
Student performance	78%	75%	76%	87%	58%	78%
Student performance goals	76%	63%	82%	87%	58%	67%
School's instructional improvement plan	61%	63%	65%	61%	50%	63%
School's curriculum	72%	75%	76%	85%	58%	74%
School's budget	**37%**	**25%**	**24%**	**32%**	**50%**	**44%**

*Percent answering 'a lot.'

7. Develop a culture that supports school decision-making and continuous school improvement.

We hypothesized that, with successful PDB implementation, planning team members would perceive their schools as better places for student learning.

After a year in the PDB Initiative, as Table 5.9 illustrates, respondents from PDB schools seemed to be much more positive about their schools as places for student learning than were respondents from non-PDB schools.

Twice as many responding school team members from PDB schools (72%) as from non-PDB schools (38%) said that their school was a better place for student learning after a year in the PDB Initiative.

Table 5.9: After a year in the PDB Initiative, do you think your school is:*

	PDB schools (N=87)	Non-PDB schools (N=16)	District 2 PDB schools (N=17)	District 13 PDB schools (N=31)	District 19 PDB schools (N=12)	District 22 PDB schools (N=27)
A better place for student learning	72%	38%	53%	71%	75%	85%
A worse place for student learning	0%	0%	0%	0%	0%	0%
About the same for student learning	24%	25%	35%	29%	17%	15%

* Columns do not total 100% because some respondents did not answer this question. Numbers represent percent answering 'yes.'

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CONCLUSION

In almost all of the categories we hypothesize as being necessary for effective PDB implementation, survey results show higher percentages of positive responses from survey participants in Phase I PDB schools compared to non-PDB schools.

The results also indicate a fair degree of support for our two district models, an instructionally-focused, principal-driven planning process in District 2, and a highly collaborative, broadly participatory planning process in District 22.

Though survey evidence should always be treated as provisional and suggestive only -- and our findings should be treated very much as initial indications because of the relatively low number of participants -- our results point to the possibility that, after barely a year, Phase I districts implementing PDB are moving in the direction of effective school level instructional planning and budgeting.

B. MODELS OF PDB IMPLEMENTATION

What follows is a more specific analysis of the two models of PDB implementation Districts 2 and 22 are developing. We describe the particular focus of each district's planning process, and then discuss how each district implements decision-making and resource allocation at the district and school levels. This chapter concludes with less extensive descriptions of the implementation process in Districts 9, 13, 19 and 20.

DISTRICT 2, MANHATTAN[25]

Community School District 2 encompasses much of lower and central Manhattan. All District 2 schools are participating in Phase I of the PDB initiative.

In 1996-97, the district served 21,716 students in its 44 elementary, middle and high schools. Approximately 53% of District 2's students qualified for free or reduced lunch, compared to 72% citywide. Approximately 17% were limited English

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[25] This description is based on District 2's November 1996 PDB proposal; May 1998 interview with Robert Wilson, Director of Operations, and Carol Slocombe, Director of Funded Programs; data from the 1996-97 Annual School Report; "Report of District-Wide Meetings on School Leadership Teams, District #2" (LAB: Northeast & Islands Regional Educational Laboratory, August 1998); Richard F. Elmore and Deanna Burney, "Investing in Teacher Learning: Staff Development and Instructional Improvement in CSD #2," (National Commission on Teaching & America's Future, and Consortium for Policy Research in Education, August, 1997); "District 2 Preliminary School Allocations, Fiscal Year 1997-98"; "District 2 Preliminary School Allocations, Fiscal Year 1998-99".

proficient, roughly comparable to the citywide percent. The ethnic composition of its elementary school population was approximately one-third Asian (33.9% vs. 10% citywide), one-third white (32.3% vs. 16% citywide) and one-third Hispanic and African-American (33.7% vs. 73% citywide).

Student attendance rates in District 2 were above average for New York City: average daily attendance was 92.1% (vs. 90.2% citywide) in District 2 elementary schools, and 92.3% (vs. 88.4% citywide) in its middle schools. The district ranks second among the city's 32 Community School Districts in both reading and math, as measured by the citywide assessments:

Table 5.10

	1997 Reading *		1997 Math *	
	District 2	City average	District 2	City average
Elementary schools	69.7%	49.6%	80.3%	61.5%
Middle schools	67.3%	44%	74.7%	52.6%

*** percent at or above the 50th percentile on the CTB-R reading test and the CAT-5 math test**
Source: 1996-97 Annual School Report, New York City Board of Education

Focus on Instructional Improvement

District 2's PDB proposal states that the district "has focused its energy and resources exclusively on instructional improvement. It is perceived as the central goal of the organization, and every level of the organization is committed to its support." The strategy used by the district "has been to develop an instructional delivery system that utilizes professional development to improve teaching and learning." According to Harvard University Graduate School of Education Professor Richard Elmore, the instructional delivery system consists of "(1) a set of organizing principles about the process of systemic change and the role of professional development in that process; and (2) a set of specific activities, or models of staff development, that focus on system-wide improvement of instruction."[26]

The District 2 PDB proposal lists these organizing principles:

- It's about instruction, and only about instruction.
- Instructional change is a long, multi-stage process.
- Shared expertise drives instructional change.
- Focus should be on system-wide improvement.

[26] Elmore, *Op. Cit.*, p.7

- Good ideas come from talented people working together.
- Set clear expectations, then decentralize.
- Collegiality, caring and respect.

The district's professional development methods are: monthly principal conferences, planned by heads of schools and focused on instruction; collegial support groups organized around specific instructional strategies; the Professional Development Laboratory program, a teacher mentoring internship; a carefully selected menu of instructional consulting services; intervisitation and peer networks; off-site training focusing on the same content areas over multiple years; school level conferences around specific content areas and strategies; and site visits by the superintendent and deputy superintendent to "provide continuous monitoring of schools' progress toward instructional improvement," as the District's PDB proposal states. "The centerpiece of the performance reviews is the school-based Goals and Objectives process which focuses almost exclusively on plans for instructional improvement in specific content areas through the use of professional development strategies."

The district's PDB proposal describes accountability as being "expressed in terms of teachers' and Heads of Schools' objectives for instructional improvement, and the vehicle for accountability is professional development. School-level and district budget priorities are expressed in terms of expenditures on direct instruction and professional development. Management is operationally defined as helping schools do the work of teaching and learning better."

According to the PDB proposal, District 2 took the following steps to align its administrative systems with its instructional improvement strategy:

- Reducing the size of the district office and re-allocating those resources directly to schools;
- Developing and implementing equitable allocation formulas;
- Developing budget documents to give the public access to budget information for all schools;
- Allocating approximately 90% of all district resources directly to schools, "subject to school level decision-making within the context of existing regulations, mandates and collective bargaining agreements. School communities make budget decisions based upon the school's annual instructional Goals and Objectives."
- Developing district budgets based upon decisions made at the school level.

- Decentralizing staffing decisions, "within the context of the existing collective bargaining agreements and the Division of Human Resources requirements."
- Redesigning district administrative support systems to be more responsive to the needs of schools, "within the context of the existing Board-wide administrative structures and procedures."
- Developing accountability systems to support decentralization of functions and compliance with the Board's Standard Operating Procedures.
- Providing professional development to school communities on budgeting and administrative procedures.

After eight years of developing the system described above, District 2 chose to partner with Central in the PDB initiative so that it could "develop a Pre-K to 12 standards-based educational system that provides an accountable, world class education for every student through a redesigned labor management system that supports high performance learning communities utilizing the New Standards 'performance standards' and assessments."

District 2's proposal stated that it expected that implementation of PDB in the classroom would help students take control of the conditions of their own learning – learning how to learn – and help teachers redesign their professional practice. These changes would, in turn, drive the instructional strategies teachers developed and used and the professional development necessary to support them. Parents and the public would be exposed to new methods of learning and high performance standards. Special education services would be restructured, with heads of schools having supervisory and administrative responsibility over special education services. The district office would decentralize even further, with school-level concerns that "percolate up to the district level and drive district-wide policy, priorities and strategies." System level changes resulting from PDB would give the district more control over the "development of educational structures for delivering services to LEP, special education and high school age students."

Decision-making process

The District 2 approach to school level decision-making is non-prescriptive, varies from school to school, and grows out of the intensive and extensive conversations professional staff and school leaders have about instructional issues. Decisions about budgeting are explicitly the responsibility of the head of school; when the district

refers to school-level control of resources, the references seem to mean principal control.

In writing about the District 2 decision-making process, Richard Elmore said that the district's efforts involve "setting clear expectations and then decentralizing responsibility. Each principal or school director prepares an annual statement of supervisory goals and objectives according to a plan set out by the district, and in the ensuing year each principal is usually visited formally twice by the deputy superintendent [or superintendent]. The conversation in these reviews turns on the school's progress toward the objectives outlined in the principal's or school director's plan. Over time, schools have gained increasing authority over the district's professional development budget, to the point where most of the funds now reside in the budgets of the schools. While Superintendent Alvarado and the district staff generally favor decentralization, they are pragmatists. 'If the teachers really own teaching and learning,' Alvarado argues, 'how will they really need or want to be involved in governance decisions?'"

To support school-level decision-making, the district goes to great lengths to provide schools with considerable flexibility with, and quick access to, their school's funds. Robert Wilson, Director of Operations of District 2, said that "schools get the resources they need to make the choices they need to be genuinely accountable." Training for school teams focuses on how to use the budget program -- "what you have to do and how to do it," as Mr. Wilson described it. Training is provided for principals and the teachers, Assistant Principals, and school secretaries they usually bring to training sessions.

The instructional focus of District 2 planning teams was confirmed by the results of our survey of the seventeen parents, teachers and principals serving on the planning teams of six of the District 2 schools participating in Phase I of PDB. The survey question asked respondents to identify what type of formal planning process, if any, their school had. (Respondents were asked to indicate as many types of processes as were applicable to their school's team.)

Table 5.11

SBM/SDM	School-wide program*	State-mandated (100.11)	PDB planning team	Grade level planning team	Subject area planning team
41%	29%	41%	35%	71%	29%

* Half of the District 2 schools in the sample were not Title I schools and therefore were not eligible for Schoolwide Program status.

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Seventy-one percent of the team members who responded to the survey said that their school's planning team was a grade level planning team.

A report by the Northeast & Islands Regional Educational Laboratory (Lab), to the Chancellor about the nature of school planning teams in each district, suggests something of the quality of the District 2 planning process. The Lab concluded, based on a March 1998 meeting with District 2 teams, that "District 2 participants demonstrated a high degree of understanding and had long experience with school-based decision-making teams." While the Lab report found that "administrators and teachers sent a message that 'professional decisions should be reserved to professionals'," it was clear that "parents, teachers and administrators alike attested to the confidence they have in their principals, and the long history of good communications with them."[27]

The Lab report described their perception of the culture of planning in District 2, whose participants

> believed that they have been working effectively as teams for almost a generation, and have engendered a culture of collaboration and trust among all stakeholders. Although some parents believe themselves to be excluded from decision-making, and many expressed the view that they want to be trained so that they can participate more fully in meetings, they are happy with the achievement of students in their district. Specifically, they are happy with the achievement of *their* children. Unlike many other districts, the principal is held in high regard, and the superintendent is very well liked by all role groups.[28]

Resource allocation decisions

The district distributed the 1998-99 preliminary allocations to schools on June 8, 1998. Schools entered their budgets on the Galaxy 2000 system, developed by the district, by July 14th. The deputy superintendent reviewed all school budgets in relation to student outcomes and school instructional goals. The district then aggregated the school budgets to generate the district's tax levy, special education and reimbursable budgets.

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[27] Lab "Report of District-Wide Meetings on School Leadership Teams, District #2," August 1998, pp. 22-3.

[28] *Ibid.*, p.23.

General education tax levy allocations were based on register projections and included these components:

- An allocation based on Tax levy, Superstart and Universal Pre-K positions, with formulas based on contractual maximum class sizes;
- A Flexible School Based Funds allocation, covering both mandated positions and services, such as the salaries for the heads of schools and special education lunch coverage, and other funds allocated by formula -- for administrative support and supervision, non-mandated counseling services, school based OTPS, and other purposes -- to be used at the discretion of individual schools;
- A tax levy per diem allocation, plus accruals from the previous year in this category; and
- Allocations for administrative duties; Project Arts; City Council-provided textbooks; state-provided textbooks, software, hardware and library books; telephones; and extended day programs.

Special Education tax levy allocations were based on the number and type of classes (which is how Central allocates money to the districts).

Funding formulas for District 2's reimbursable program allocations were based on student eligibility mandates and registers. These programs were Title 1; PCEN; LEP; Project Read/Reading Recovery/Early Childhood Intervention; Professional development (funded through PCEN, Title II, Title VI, SIG, etc.) and Superstart/Universal Pre-K.

There were also discrete allocations for Principal's Choice and summer programs.

District 22, Brooklyn [29]

Community School District 22 occupies a large part of southeast Brooklyn. In 1996-97 the district served 27,767 students in its 28 elementary and middle schools. Approximately 59% of District 22's students qualified for free or reduced lunch, compared to 72% citywide. Approximately 10% were limited English proficient, compared to roughly 17% percent citywide. The ethnic composition of its elementary school population was almost half African-American (48.0% vs. 34.9% citywide), one-third white (31.3% vs 16% citywide), 12.2% Hispanic (vs. 38.7% citywide), and 8.6% Asian and other (vs. 10.2% citywide).

Attendance in the district's elementary schools averages 91.8% (90.2% citywide) and 90.5% (88.4% citywide) in its middle schools. The district's students performed well above average on standardized tests:

Table 5.12

	1997 Reading*		1997 Math*	
	District 22	City average	District 22	City average
Elementary schools	60.7%	49.6%	76.6%	61.5%
Middle schools	57.1%	44.0%	68.6%	52.6%

*percent at or above the 50th percentile on the CTB-R reading test and the CAT-5 math test
Source: 1996-97 Annual School Report, New York City Board of Education

Ten of District 22's 28 elementary and middle schools participated in Phase I of the PDB initiative. All of its schools (30 schools in 1998-99) are participating in Phase II.

Collaborative Planning and Shared Decision Making

As its proposal states, District 22 leadership believes that performance driven budgeting is "a logical outgrowth of our ongoing commitment to collaborative planning and shared decision making at the district and school levels." That commitment began when the development of school-based planning emerged as one

[29] This description is based on District 22's November 1996 PDB proposal; May 1997 PDB Strategic Plan; 2/4/98 Observation of District 22 Planning Committee Meeting; 2/10/98 Interview with Superintendent John Comer, Deputy Superintendent Robert Radday, Director of Operations Jerry Schondorf and Community School Board member Anne MacKinnon; 3/4/98 Interview with Mr. Radday and Mr. Schondorf; attendance at District 22's course on district and school finance; observation of 5/20/98 District 22 PDB Second Annual Allocation Issuance Conference; data from the 1996-97 Annual School Report; "Report of District #22 Meeting on School Leadership Teams" (LAB: Northeast & Islands Regional Educational Laboratory, June 1998); "PDB – Initial Fiscal Year 1998 Allocations"; "PDB – Initial Fiscal Year 1999 Allocations"; several historical documents and informal interviews with key district personnel.

of the district's goals for the 1987-88 school year. A principals' retreat that year focused on school decision-making with input from school staff. Many District 22 schools developed curriculum committees and, later, school-based management committees. At about the same time, schools were given the right to do their own hiring.

The Superintendent and his staff have been moving toward collaborative planning and school-based decision-making, in conjunction with citywide directions. "The laws and regulations are taking us where we want to go anyway," said Deputy Superintendent Radday.

In 1992, after Section 100.11 of the Commissioner's Regulations established guidelines for all schools in the state to set up collaborative decision-making committees that included teachers and parents, District 22 established a District Planning Committee. The Committee wrote a District Plan, adopted by the school board in early 1994, that guided implementation of CR 100.11 in all District schools.

Because the members of the District Planning Committee believed "that schools are most successful in meeting the needs of their students when decisions are made collaboratively at the school level," all schools were required to have committees operating by November 1994. School committees were set up, and continue to be guided by the District Planning Committee, whose membership now includes the superintendent and deputy superintendent, a community school board member, two representatives each from the CSA, UFT and Presidents Council, the principals of four schools participating in PDB, and a representative of DC37.

Development of District 22's approach has been intensified by school-level initiatives. In 1990-91, the UFT representative and PA president at P.S. 139 – an overcrowded, high-poverty elementary school with 1800 students -- argued for the creation of a school planning team in accordance with the Title I Schoolwide Program provision for high-poverty schools. The P.S. 139 principal agreed, reluctantly. The P.S. 139 team received training in collaborative planning, visited models of literacy programs and reflected on the limitations in their own school, recalled parent Anne MacKinnon. The team devised a plan to end pull-outs, moving these services to before and after school. Other changes followed: heterogeneously grouped classes, minischools and summer school, for example. As the school team demonstrated dramatic, measurable gains in student outcomes, the principal and UFT representative became advocates for collaborative planning within the district.

At the same time, the district began delegating financial decision-making to the schools. In 1992-93, the district gave all district schools their own allocations, determined by register and per capita formula, which schools could negotiate with the superintendent. A signoff from the PA president, UFT representative and planning committee chair was required in this process. In 1994, the advent of the ability to merge tax levy and Title I funds in the Schoolwide Program allowed five of the district's schools to move away from the pull-out remedial model. "We decided to teach people how to budget and get better bang for their bucks," Superintendent Comer told us.

In the 1995-96, 1996-97 and 1997-98 years, the district offered an in-depth course on District and School Finance, provided at three different times to ensure accessibility. The topics included: tax levy, special education and reimbursable funding; Central allocation formulas; district budgets and modifications; EIS and STARS; permissible uses of reimbursable funds; the elements of comprehensive educational planning; budgeting different staff categories; OTPS issues; and budgeting to accomplish educational goals and objectives. More than 300 administrators, teachers, parents, secretaries, district staff and others attended these courses, providing a solid basis of understanding for school team members about the instructional and financial planning process.

One result was that "each of the five Schoolwide Program committees came up with a unique and creative approach to comprehensive school reform and worked hard at accounting for every dollar," said Superintendent Comer.

The district announced in the fall of 1996 that all schools would participate in PDB, beginning with planning for the 1998-99 school year. In early 1996 (and again in 1997), the district gave *all* schools a midyear allocation for school planning teams to decide how to spend, "with a focus on accomplishing the educational goals of the school." After a kickoff breakfast for the first ten Phase I PDB schools in the fall of 1996, "people in the other 18 schools saw that the Phase I school people were happy. They had been hearing good things all along in their monthly meetings," said Superintendent Comer. In the spring of 1998, the district established a buddy system of voluntary partnerships between Phase I and Phase II schools and hired a district facilitator to assist the work of school planning teams.

The1998-99 PDB allocations were distributed to all the district's school teams in workshops held in May, 1998, along with a district office phone directory, organized by type of question. The superintendent asked school teams to focus their attention

on four key areas: improving district average attendance from 91% to 95%; maintaining the high level of knowledge about the curriculum; maintaining the district focus on improving teaching methodology; and using the flexibility available through PDB to address instructional fragmentation. (The superintendent asked elementary schools to put the focus on the core curriculum from 9 to 11:30 am, and schedule other activities for later in the day.)

At the May workshop, Deputy Superintendent Radday outlined four reasons for District 22's success with PDB: the time people give up to make PDB work; staff development and planning on how to work together to learn how to best budget and spend money; support structures in the district; and parent leadership. Presidents Council president Dorothy Giglio said that "parents know staffing, finance, computers. We've cried for empowerment. This is our opportunity. But this is a little scary. We have to shoulder the responsibilities. When it doesn't work, we have to be part of that, too. We have to take the lead and make it work. The hardest part is getting the school committees to work together."

Finally, at the May workshop several school leaders from PDB pilot schools shared their experiences about how the flexibility of the Title I Schoolwide Program and PDB improved instructional programs and outcomes, especially when combined with the flexibility that schools participating in the LRE pilot[30] had to design programs for students receiving, or likely to require, special education services. Mr. Radday said that PDB schools "are run by collaborative school-based teams and are a quantum leap ahead of other schools. Although the results are hugely rewarding, said Principal Joan Lunney, "collaboration is exhausting!"

Decision-making process

The key elements of the district's program are: a district office open door policy; a policy-setting district planning committee; collaborative school planning teams; monthly Presidents Council meetings with the superintendent; monthly curriculum-focused principals conferences; and monthly meetings with the UFT representatives. Superintendent Comer described District 22 as a community "where honest disagreement is OK. The district culture is that conflict in good faith within which a consensus is ultimately achieved is OK."

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[30] The Least Restrictive Environment initiative provides budget flexibility to promote the education of children with handicaps with their general education peers.

A highly informed, educated parent body is essential to the District 22 approach. Parents are encouraged to become prepared to participate at the school level by taking the district's finance courses and attending the district's workshops and training sessions. The superintendent constantly communicates that he wants the parents to hold the principals to high standards. "Parents have gained a rough idea of what constitutes good practice in literacy, bilingual education, etc." Superintendent Comer said that parents are the strongest advocates for models that serve all students." Once on school councils, parents and other team members receive training and support, especially in how to work as an effective team.

The CSA and UFT representatives and Presidents Council leaders have been enthusiastic partners with the district leadership in promoting greater collaborative planning and shared decision-making. In the past, when Central support for facilitating collaborative planning dried up, the district devoted extensive time and resources to "getting the people part right," Ms. MacKinnon said.

Participation of a school's planning team in planning and budgeting is what distinguishes PDB from school-based budgeting. Superintendent Comer said that PDB is "more likely to be the work of a team than just the principal. It reflects more sophisticated training. Thanks to our finance course, the quality of participation has changed."

The collaborative emphasis of District 22's planning teams was verified by the results of our survey returned by twenty-seven parents, teachers and principals serving on the planning teams of six of the District 22 schools participating in Phase I of PDB. The survey question asked respondents to identify what type of formal planning process, if any, their school had. (Respondents were asked to indicate as many as were applicable to their school's team.)

Table 5.13

SBM/SDM	School-wide program*	State-mandated (100.11)	PDB planning team	Grade level planning team	Subject area planning team
89%	41%	11%	44%	19%	15%

* Half of the District 22 schools in the sample were not Title I schools and therefore were not eligible for Schoolwide Program status.

Eighty-nine percent of the District 22 team members who responded said that their school's planning team was an SBM/SDM committee.

Resource allocation decisions

The District Planning Committee makes allocation policy decisions. For both the 1997-98 and 1998-99 years, this committee decided to make the same allocation choices that had been made in the previous year, even if one school had extra positions or programs compared to another. Exceptions to the formulas were made for special circumstances such as annexes, busing, etc. The Committee also made policy decisions about what programs should be funded district-wide. In some cases, parents wanted to ensure that certain programs, such as Reading Recovery, would be funded for all the schools. "It is important," said Director of Operations Jerry Schondorf, "that budgets be fair and perceived to be fair. This is accomplished in an open process."

The next step is for the schools to reach consensus with the district on their proposed school organizations and projected registers.

The preliminary allocations for 1998-99 included all but about $10 million of the $104 million the district expected to receive. The tax levy allocation excluded NYSTL[31], Principal's Choice and certain categorical tax levy allocations not yet determined by Central. With the exception of mandated district programs determined by the District Planning Committee and certain categorical tax levy programs, all tax levy funds were modifiable by the schools, according to Deputy Superintendent Radday, as long as those changes did not violate labor contracts, and existing legislative, judicial and administrative guidelines and regulations.

School allocations were distributed in three lump sums: general education tax levy, special education tax levy and reimbursable. The tax levy and special education budgets were given out as bottom line figures, with existing position costs calculated using the district average salary. For reimbursable allocations, however, the district did not use existing positions, but gave a lump sum dollar figure that included *all* reimbursable monies due the school, with the exception of ESL pullout teachers. Budget codes were needed only for OTPS items. All underlying assumptions were spelled out in a one-page sheet accompanying the school allocations.

Director of Operations Jerry Schondorf told school teams that their existing tax levy and special education budgets could be left intact, but that the reimbursable budget

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[31] The New York State Textbook Law (NYSTL) provides discrete per pupil allocations for textbooks, library books, software and hardware.

had to be built from scratch, using average district salaries for each position. He urged school teams to be creative.

When the schools returned their budgets on disk in late June, the district backed out the school allocations to various funding sources, recalculated the reimbursable cost factors schools used to do their budgets, and adjusted school budgets accordingly. School openings in September reportedly went very smoothly.

OTHER PDB PILOT DISTRICTS

Because we concentrate the bulk of this chapter on the characteristics of the two well-defined models of district planning, decision-making and resource allocation, we focus less extensively on comparable processes in the other pilot districts. What follows are capsule descriptions of the major directions and emphases developed in Districts 9, 13, 19 and 20. We will say more about the work of the school planning teams in these districts in subsequent reports.

District 9[32]

Community School District 9, in the central Bronx, is in the poorest Congressional district in the United States. In 1996-97 the district served 30,263 students. Approximately 91% of the district's students qualified for free or reduced lunch, compared to 72% citywide. Approximately 27% were limited English proficient, compared to 17% citywide. The ethnic composition of its elementary school population was approximately one-third African-American (36% vs. 35% citywide), two-thirds Hispanic (62% vs. 39% citywide) and 2% white, Asian and other (2% vs. 26% citywide).

Table 5.14

	1997 Reading *		1997 Math *	
	District 9	**City average**	**District 9**	**City average**
Elementary schools	34.6%	49.6%	44.6%	61.5%
Middle schools	26.9%	44%	34.3%	52.6%

*** percent at or above the 50th percentile on the CTB-R reading test and the CAT-5 math test**
Source: 1996-97 Annual School Report, New York City Board of Education

[32] This description of District 9 is based on District 9's November 1996 PDB proposal; District 9's May 1997 Strategic Plan; 5/29/98 interview with Director of Operations Vincent Clark; 1996-97 Annual School Report data; District 9's "Budgeting Made Easy"; and the 1998-99 Comprehensive Performance Driven Budget Planning Plan Book for District 9.

Several basic elements for successful PDB implementation are already in place, or in development, in District 9:

- District 9 schools have had extensive experience with the Schoolwide Program, dating back to 1990-91. All 33 district schools are Title I-eligible, and 31 are Schoolwide Program schools.
- The district is developing the Schoolwide Program teams into school leadership teams by extending their responsibility to all funded and tax levy allocations.
- Schools have always done their own hiring in District 9.
- Schools receive position allocations for general and special education and a lump sum allocation for Title I/PCEN.
- District 9's computerized budgeting program for school-based Title I/PCEN allocations was introduced in 1992. School staff are responsible for budgeting, including modifications.
- While the mechanics of school-based budgeting have been in place for many years, the change to PDB for District 9 involves tying an administrative budgeting process to student performance. In the past, principals had responsibility for projecting registers; now they are expected to budget for improved performance.
- For PDB, the teams consist of the principal, Schoolwide Program planning committee chairperson, UFT chapter chair, PA president, and the PAC chair.
- In March 1998, the district made public every schools' Title I and PCEN allocations and asked all schools to develop CEPs for 1998-99.
- For the 1998-99 year, because the district received its allocation from Central on June 1st, District 9 asked its schools to determine school programs and staffing before the summer to manage "a cleaner school opening and better hiring."
- The district ran CEP training conferences in May, 1997, to help PDB school teams prepare effective CEPs and link them with their budgets.
- Schools receive discrete professional development allocations, along with access to district-wide professional development initiatives.
- District 9 developed and used a guide, "Budgeting Made Easy," to train principals and UFT chapter leaders, and expects to train parents as well. "District 9 has support and training throughout the district," said Director of Operations Vincent Clark.

District 13[33]

Community School District 13, in west-central Brooklyn, served 15,696 students in 1996-97. Approximately 89% of District 13's students qualified for free or reduced lunch, compared to 72% citywide. Approximately 5% were limited English proficient, compared to 17% citywide. The ethnic composition of its elementary school population was approximately 80% African-American (compared to 35% citywide), 17% Hispanic (39% citywide) and 3% white, Asian and other (26% citywide).

Table 5.15

	1997 Reading *		1997 Math *	
	District 13	City average	District 13	City average
Elementary schools	41.9%	49.6%	55.5%	61.5%
Middle schools	41.1%	44%	45.7%	52.6%

*** percent at or above the 50th percentile on the CTB-R reading test and the CAT-5 math test**
Source: 1996-97 Annual School Report, New York City Board of Education

District 13 Superintendent Dr. Lester Young sees PDB as, ultimately, "a school level mechanism for achieving communication, input, collaboration and consensus about how to support effective instructional decisions through the school's budget." A set of policies and structures are now in place in the district to support PDB implementation:

- District 13 is one of three school districts in the nation to be funded by The Rockefeller Foundation to implement the Comer School Development Program. Every school in District 13 is a Comer School and has a trained School Planning and Management Team as its primary decision-making mechanism. The teams consist of teachers, administrators and parents and uses principles of "no-fault, collaboration and consensus."
- The school teams developed by the Comer process are expected to do PDB planning and implementation as an expansion of the Schoolwide Program discretionary budgeting they were already doing.
- Every school in the district prepares an annual Comprehensive Educational Plan which, after extensive review by the district, becomes the "foundation upon which all decisions are based. All resources are, therefore, allocated to support objectives identified in the plans."

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[33] This description is based on District 13's November 1996 PDB proposal; May 1997 District 13 PDB Strategies document; data from the 1996-97 Annual School Report; and 6/11/98 interview with Superintendent Dr. Lester Young and Director of Operations Efraim Villafane.

- District 13 created three groups of schools whose membership is determined by student achievement levels. Schools have varying degrees of autonomy depending on which group their student achievement levels place them.
- Schools are encouraged to become Schoolwide Program schools and to become proficient at using Title I and PCEN funds with greater flexibility. As outcomes improve, schools are rewarded with more autonomy, including PDB status. Twenty two of the district's 23 schools are Schoolwide-eligible; 13 are Schoolwide Program schools, with four more in the planning process; eight of the 13 are currently in PDB, which essentially defines the top tier of schools.
- The district publishes school-by-school allocation charts so that, as Efraim Villafane, Director of Operations, expressed it, "Everybody knows what everybody gets and can see the basis for it."
- In April, 1997, the district ran a planning retreat for design teams from four pilot PDB schools and administrators from the district office. One principal also attended a conference about the Edmonton model, which she shared with her District 13 pilot school peers.
- The district runs periodic workshops on budgeting for principals and school teams.

District 13's emphasis on encouraging schools to become Schoolwide Program schools was verified by the results of our survey, returned by thirty-one parents, teachers and principals serving on the planning teams of seven of the District 13 schools participating in Phase I of PDB. The survey question asked respondents to identify what type of formal planning process, if any, their school had. (Respondents were asked to indicate as many as were applicable to their school's team.)

Table 5.16

SBM/SDM	School-wide program*	State-mandated (100.11)	PDB planning team	Grade level planning team	Subject area planning team
52%	97%	45%	52%	64%	48%

Ninety-seven percent of the District 13 team members who responded said that their school's planning team was a Schoolwide Program committee.

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District 19[34]

Community School District 19, in eastern Brooklyn, served 24,175 students in 1996-97. Approximately 90% of the district's students qualified for free or reduced lunch, compared to 72% citywide. Approximately 15% were limited English proficient, compared to 17% citywide. The ethnic composition of its elementary school population was approximately 54% African-American (compared to 35% citywide), 40% Hispanic (39% citywide) and 6% white, Asian and other (26% citywide).

Table 5.17

	1997 Reading*		1997 Math*	
	District 19	**City average**	**District 19**	**City average**
Elementary schools	33%	49.6%	44.3%	61.5%
Middle schools	31.6%	44%	39.1%	52.6%

*** percent at or above the 50th percentile on the CTB-R reading test and the CAT-5 math test**
Source: 1996-97 Annual School Report, New York City Board of Education

Superintendent Robert Riccobono hopes PDB will provide budgeting flexibility to help the district's schools sustain a consistent focus on student learning by making choices built on instructional goals.

- Twenty four of the district's 30 schools are Schoolwide Program schools, with school committees responsible for planning.
- Schools have been preparing CEPs for two years and receiving support and training in needs assessment and instructional planning from the district.
- In the past, according to Director of Operations Magda Dekki, school committees were not sufficiently focused on instructional planning, but that is changing with the help of district staff. A district staff position is now largely devoted to instructional support for school committees. The four PDB schools have functioning school-based decision-making committees in place.
- The district has well-established Title I school and district parent advisory committees that receive regular budget information and training from the director of funded programs.
- About six years ago, District 19 moved toward school-based budgeting by instituting a per capita allocation system and publicly-reported school budget reports.

[34] This description is based on the District 19 November 1996 PDB proposal; data from 1996-97 annual School Report; 5/1/98 interview with Superintendent Robert Riccobono and Director of Operations Magda Dekki; 6/5/98 interview with Ms. Dekki; and numerous historic budget documents.

- The tax levy allocation, based on a per capita allotment, is entirely flexible except for the principal position, a half para-professional position for each kindergarten, and the requisite number of classroom teachers calculated in accordance with contractual maximums. The tax levy allocation includes both personnel and OTPS. The reimbursable allocation is also entirely flexible.
- The district provides extensive support to the four PDB schools; teams from the district office -- including the superintendent and deputy superintendent – are frequently present in the schools. Technical assistance is available at all times.
- The district has implemented Success for All in 17 of its schools.
- To supplement the citywide standardized tests and to assist schools in understanding and meeting individual student needs, the district introduced an assessment program to analyze and report the strengths and weaknesses of individual students' reading subskills, The addition of a new deputy superintendent has increased the district's capacity to support instructional improvement.
- Student achievement outcomes are shared with school teams and with the public as well as with the school and district parent advisory committees.

District 19's emphasis on encouraging schools to become Schoolwide Program schools was verified by the results of our survey, returned by twelve parents, teachers and principals serving on the planning teams of four of the District 19 schools participating in Phase I of PDB. The survey question asked respondents to identify what type of formal planning process, if any, their school had. (Respondents were asked to indicate as many as were applicable to their school's team.)

Table 5.18

SBM/SDM	School-wide program*	State-mandated (100.11)	PDB planning team	Grade level planning team	Subject area planning team
25%	83%	42%	42%	58%	42%

Eighty-three of the District 19 team members who responded said that their school's planning team was a Schoolwide Program committee.

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District 20[35]

Community School District 20, in southwest Brooklyn, served 26,847 students in 1996-97. Approximately 69% of the district's students qualified for free or reduced lunch, compared to 72% citywide. Approximately 25% were limited English proficient, compared to 17% citywide. The ethnic composition of its elementary school population was approximately 5% African-American (compared to 35% citywide), 25% Hispanic (39% citywide), 24% Asian and other (10% citywide) and 47% white (16% citywide).

Table 5.19

	1997 Reading *		1997 Math *	
	District 20	**City average**	**District 20**	**City average**
Elementary schools	64.2%	49.6%	79.5%	61.5%
Middle schools	48.1%	44%	59.7%	52.6%

*** percent at or above the 50th percentile on the CTB-R reading test and the CAT-5 math test**
Source: 1996-97 Annual School Report, New York City Board of Education

District 20 joined the PDB initiative to find "a better way to set educational plans and priorities at each school by knowing what resources are at hand, by creative use of flexible resources, and by engaging all stakeholders in the process." The District 20 proposal defines performance driven budgeting as "a vehicle for stakeholders to make real and effective decisions."

District 20 is building its PDB efforts on considerable previous work. Some district schools have created new educational programs and managed grant budgets. The SBM committee in a district elementary school, for example, was given the per diem substitute money the school saved during the year to create a minigrant program for classroom use. Schools in District 20 have effectively marshalled parent volunteers in successful school-home partnerships to raise student achievement levels.

According to Director of Operations Mark Gullo, District 20 joined PDB during Phase I so that it would have a full three years to move toward a more collaborative decision-making approach throughout the district. He anticipates that the 1999-2000 budget planning cycle in District 20 will find more schools ready to work on their reimbursable and tax levy budgets and involved in budgeting for instructional improvement.

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[35] This description is based on the District 20 November 1996 PDB proposal; May 1997 PDB Strategic Plan; 1996-97 Annual School Report data; and 5/26/98 interview with Director of Operations Mark Gullo.

As part of PDB implementation, District 20:

- Formed a district level committee consisting of a community school board member, principals, PA presidents and UFT chapter chairs from Phase I schools, the district UFT representative, and district office staff. The district committee met in 1996-97 and 1997-98 to do planning and to determine the programs, allocations and training needed for PDB implementation.
- Hired an additional district office staff person to free up the director of operations to play a proactive role in supporting the district committee and the school-level committees in learning how to do collaborative planning.
- Offered a six-session budget workshop.
- Participated in the 1998-99 budget request process that helped "energize the schools because they received much of what they asked for," said Director of Operations Mark Gullo.
- Gave both tax levy and reimbursable allocations for 1997-98 to the three pilot schools participating in Phase I.
- Gave lump sum tax levy allocations to about two-thirds of the non-pilot schools.

CHAPTER 6:
IMPLEMENTATION IN THE PILOT HIGH SCHOOLS SUPERINTENDENCIES[35]

This chapter focuses on the three high school superintendencies participating in the Phase I implementation of PDB. It explores the extent and scope of involvement of these high schools in school-based planning and budgeting.

A. IMPLEMENTATION IN THE HIGH SCHOOL S

Central's implementation strategy for PDB high schools was the same as for PDB district schools. Pilot districts – the Queens and Brooklyn high school superintendencies, as well as the International High School network in the Alternative superintendency – were selected that had substantial school-based budgeting and/or school-based planning in place. Five schools each in the Queens and Brooklyn superintendencies and the three schools in the International High School network – thirteen schools in all -- were then selected to participate in Phase I of PDB implementation.[36]

High schools in the New York City school system have always been largely centrally administered.[37] The six high school superintendents – Manhattan, Queens, the Bronx, Brooklyn, BASIS (western Brooklyn and Staten Island), and the Alternative schools –reported directly to Central's Division of High Schools. Individual schools

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[35] This description is based on "Brooklyn's Bridge to a Performance-Driven Teaching-Learning Community (November 1996); Brooklyn's Strategic Plan (Spring 1997); 5/11/98 Interview with Brooklyn High Schools Superintendent Joyce Coppin and her senior staff; 6/22/98 interview with Don Roth, Brooklyn Administrator for High Schools; materials documenting school and district PDB activities; Queens High Schools PDB Application (November 1996) and Borough Plan (Spring 1997); 2/25/98 Interview with Queens High Schools Superintendent John Lee and his senior staff; 3/17/98 Interviews with Queens High Schools Deputy Superintendent Rowena Karsh and Senior Executive Assistant Ann Markon; 3/17/98 Interview with all Queens High School Pilot school principals; 3/17/98 Observation of the Queens High School monthly principals' meeting; materials documenting school and district PDB activities; PDB application (November 1996) and strategic plan (6/6/97) for the International Schools Partnership; 5/1/98 and 5/5/98 Interviews with Eric Nadelstern for the International High School network; observations of the monthly school planning team meetings of three high schools from February through June 1998; high school allocation guides for 1996-97, 1997-98, and 1998-99; and numerous materials from Central.

[36] To observe the effects of PDB implementation first hand, we focused our attention on one school in each superintendency.

[37] When a 1996 state law established quasi-decentralized community school districts, run by community school boards, Central retained control over the high schools.

received budgets directly from Central by formula, and high school superintendents had a small role in the allocation of funds to their schools. In contrast to the elementary and middle schools run by the community school boards, individual high schools have routinely interacted with Central regarding a wide range of issues, especially funding.

DECISION-MAKING PROCESS

The high schools' PDB applications indicated that most, if not all, pilot PDB schools in the Brooklyn and Queens superintendencies have adopted some form of shared decision-making, typically in an advisory capacity. Schools in the International High School network, which were established as small collaborative schools, are governed by a Coordinating Council that serves as the school's board of directors. The Coordinating Council, whose membership includes administrators, teachers, parents, students and non-teaching staff, is charged with "evaluating school leaders, approving the annual budget and establishing policy in matters including, but not limited to, staffing, professional development, curriculum, instruction, scheduling, assessment, purchasing, student recruitment and selection, and school, cluster and class size."[38]

RESOURCE ALLOCATION DECISIONS[39]

High schools receive their budget allocations in units, not dollars. According to Central's high school allocation guide, a unit "is equivalent to the estimated average tax levy annual salary of a teacher."[40]

For general education tax levy funding, a school's allocation is based on the type of school (e.g., academic or vocational), its estimated enrollment, and a curriculum factor that enables the school to schedule seven periods of instruction for each student. There is also a component for the additional class time and class size needs required of certain programs, plus a discretionary component allocated by the superintendent.

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[38] 6/6/97 International High Schools PDB Strategic Plan

[39] The description in this section is based on the high school allocation guide for 1996-97: "Information, Guidelines and Instructions, Fall 1996 Allocation of Resources for the High Schools".

[40] "Information, Guidelines and Instructions, Fall 1996 Allocation of Resources for the High Schools," p.1

The special education allocation is somewhat more complicated, but is also based on student enrollment, a curriculum factor, and the class size and personnel required to meet the mandates of students' special education classifications.

The reimbursable allocation has two major components, Title I and PCEN. According to the high school allocation guide, for the 1996-97 year -- the planning year for Phase I schools -- Title I dollars available for the basic grant are converted to units, with each unit equivalent to the average Title I teacher's salary. Once the unit value is determined, and the number of eligible students have been determined, a per capita is calculated. In a method similar to community school districts, a list of eligible high schools and the number of per capita units that would be generated is compiled by Central and given to the borough superintendent for allocation consideration. Borough superintendents can adjust these distributions.[41]

PCEN allocations, similarly based on units pegged to the average PCEN teacher's salary, are also distributed according to formula, and are adjustable by the borough superintendents.

Most of the OTPS allocations are distributed separately from allocations for personnel, are formula-driven and are distributed as discrete allocations by source of funds -- general education, special education and reimbursable.

Central distributes other relatively small categorical tax levy and reimbursable allocations, usually directly to the schools, throughout the school year.

In the spring, schools develop the register estimates that drive their allocations. They also develop a master schedule based on tallies of the courses preprogrammed for students in the coming term. The master schedule is developed in June, then modified when the allocation comes in, usually in late August. The school then develops a table of organization, assigning units to positions on the table, and assigning specific personnel to those positions. Schools use a program that links a school's master schedule to teachers and funding sources.

IDENTIFICATION OF ISSUES

The Brooklyn and Queens superintendencies collaborated with each other and with Central in the winter and spring of 1997 to plan for PDB implementation and to

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[41] *Op. Cit.*, p.15

help identify impediments to successful PDB implementation. They identified six major areas of concern:

1. Late Allocations

Schools experience very difficult fall openings in part because of late allocations. These late allocations cause numerous problems including: loss of instructional time; inefficient hiring; hiring of less qualified staff; inability to provide timely professional development; lack of availability of appropriate textbooks, materials and supplies; and the staff time assigned to correct program changes.

2. Late Hiring

Last minute hiring causes several problems. First, there is a limited pool of qualified staff available. Second, schools have to create their master schedules in the early summer before they know their allocations. Third, new staff can not receive adequate orientation and mentoring.

3. Inflexible Staffing

Lack of flexibility in staffing -- the policies, practices and procedures governing the way schools are staffed and assigned -- was identified by virtually everyone participating in Phase I implementation as one of the most important areas that had to change. However, as one principal stated, "The HR issues are crucial, and they weren't addressed."

Restrictions on teachers' administrative and instructional assignments are felt to be too onerous, have negative productivity and budget implications, and limit the opportunities for teachers to learn the administrative ropes, district and school staff reported.

4. Lack of an Annualized Budget

District and school staff felt that less instructional time would be lost if annualized school budgets were available to support annualized instructional planning. Annualizing high school budgets is complicated by greater fluctuations in high school registers than that experienced by elementary and middle schools.

5. Inflexible Funding

Policies, regulations and practices governing merging of funding sources, modifying school spending plans, and converting between funds allocated for personnel and OTPS are seen as at best cumbersome and time consuming, and at worst stultifying. For example, the 1998-99 high school allocation guide reminds schools that

items such as conversions from personal service cannot be credited to a school's OTPS spending plan until such time as the value of the conversion is actually moved from the central personal service budget to the OTPS budget; such movement may take months to accomplish since personal service conversions must be approved by the City before they can be reflected in the Board of Education's accounting system.[42]

High schools, which are less likely than elementary or middle schools to be Title I schools[43], are therefore less likely to be eligible to become Schoolwide Program schools. Thus they are not able to enjoy the financial and programmatic flexibility afforded Schoolwide Programs schools.

6. Inflexible Spending

The Queens Superintendent's May 1997 PDB strategic plan summed up this area of concern: "What flexibility and strategies are there to insure that schools get the best value for their limited dollars? What procedures need to be changed while maintaining fiscal integrity and accountability? How can purchasing decisions be made in a timely and efficient manner?"

PDB Implementation: Decision-making Process

During Phase I, the Brooklyn and Queens superintendencies provided considerable support for PDB implementation to the Phase I principals, and some support to school teams as well. According to one principal, "We received guidance in forming school planning teams. There was also a training session for principals and school team members on developing planning teams. Also, one of the principals' meetings was devoted to how to develop the CEP. There was training on the budget. Other support was provided, as needed, by the superintendent's staff."

Our observations in three high schools tended to confirm that school teams:

- were formed or re-formed during 1997-98 and, if needed, brought into conformity with the state 100.11 regulation;
- prepared budget requests;
- budgeted a mid-winter surplus allocation;

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[42] "Allocations Manual Fiscal Year 1999, Information, Guidelines and Instructions," p.XI-4

[43] Only 3 of the 10 Phase I high schools in the Brooklyn and Queens superintendencies were Title I schools.

- helped determine school priorities and worked on the CEP and budget processes for 1998-99.

The collaborative process was reported to have worked well in the pilot high schools. In a group interview in March, 1998, the principals of all five pilot schools in Queens reported that they were very pleased with the way their school-based teams were working – with teachers, parents and often students learning how to understand the CEP, the budget and the planning process, and arriving at a set of priorities that the principal would then reflect in the school's budget. Our observations in one of these Queens high schools confirmed this report. We also observed team meetings at a Brooklyn high school where the planning process resulted in a potentially significant program change for ninth grade students.

The budget request process was also used as a tool to help schools learn about how to set priorities and do comprehensive planning and budgeting. For example, in January, 1998, the Brooklyn high schools held a district-wide planning meeting to determine district priorities for their school budget requests. Then individual Brooklyn high schools were instructed to use a comprehensive approach to come up with their *own* school priorities and budget requests. The budget requests of all the Brooklyn high schools were then aggregated for the entire Brooklyn superintendency.

While Queens and Brooklyn high schools were moving toward a more collaborative decision-making approach during Phase I implementation, the smaller International high schools, which were founded on a collaborative model, continue to evolve. Instructional decisions, by design, formed the basis for budgeting decisions. Because the schools controlled the number of students they accepted, they could use their funds more efficiently. They employed the school-based staffing option for hiring, which allowed them to hire teachers who agreed with the school's philosophy. The schools' team-based approach integrated all teaching and services for students, which was made possible by the funding flexibility available through Title I Schoolwide Program status.

At one of the International high schools we observed, the school's Coordinating Council had recently changed from a management to a policy-making role. According to the school's principal,

> Now the Coordinating Council meets monthly and it does policy direction, a more effective role. The Steering Committee [composed of the principal, an assistant

> principal, an elected teacher leader and the UFT representative] is responsible for day to day management and is accountable to the Coordinating Council.
>
> The Coordinating Council set the broad budgetary policy parameters that allowed the [instructional] teams to make their decisions about new staff vs. per session vs. OTPS. The teams prioritized their supports; they all said that they wanted the budget to go to more people, then per session, then supplies. Then the management team [Steering Committee] aligned the resources the school got with the teams' needs assessments.

Although the school completed a CEP for 1998-99, "the CEP has nothing to do with the real planning process that goes on all the time," the principal said.

This International school was able to use PDB to further evolve its collaborative model. The principal said, "Internally, PDB gave us the opportunity to think about resources differently. We devolved budgetary decision-making to the core instructional unit of the school [the six instructional teams]. Small groups of teachers were given significant budget decision-making authority; this influences how they work with a manageable number of students."

PDB Implementation: Resource Allocation Decisions

There were two major changes for PDB pilot schools in 1997-98: a partial, early tax levy allocation, and an annualized budget.

For 1998-99, however, a policy decision seems to have been made that PDB at the high school level would be assimilated into a systemwide approach to.reforming all high schools. Under the direction of Dr. Margaret Harrington, who was Superintendent of Queens High Schools until she became Chief Executive for the Division of School Programs and Support Services in June, 1997, a range of initiatives were introduced that essentially tried to generalize PDB to all the high schools.

Dr. Harrington said, "If schools have enough resources, early enough for planning and careful assignment of staff, they'd have a better program and therefore better outcomes for students. Schools and superintendents need to be accountable for those outcomes. To feel accountable, they need to get their budgets early, make key decisions, select staff and plan their programs. Superintendents who make resource decisions need to be able to look at the whole school before allocating additional

resources. PDB will change the relationship between superintendents and schools and, therefore, what schools can do for students."

To realize this vision, a series of changes were initiated in how resources are allocated to all the high schools.

- The six high school superintendencies were strengthened by giving them the power to distribute many more tax levy and reimbursable funding sources than in the past. These funds may have been used in the past for Central-determined programs or been given directly to the schools. "We also removed all special deals," said Dr. Harrington. "Schools are no longer able to do end runs around their superintendents. Superintendents have all the resources and have the responsibility to make their own allocations for the things that are important for their schools."

  Thus all reimbursable and categorical tax levy funds previously distributed to the schools by Central, are now allocated to the superintendents for distribution to the schools. "Superintendents are empowered because we give all the money to the superintendents that used to be decided centrally," said Dr. Harrington. Now "superintendents have to learn how to budget the whole piece, even when the money comes in pieces."

  "This is a tremendous advantage," said Brooklyn Superintendent Joyce Coppin. "The school planning team can now make their request to someone who is knowledgeable about their school and knows the pieces of the budget. There is a lot of overlap in these budgets, so we can do a lot more." Some of the school's reimbursable funding sources "are completely separate budgets that have to be connected to the school's overall planning so they can plan comprehensively for the next year."

- Superintendencies were also strengthened by the planned appointments of Directors of Operations, newly-created positions analogous to the Director of Operations positions in the community school districts.

- The May 1998 reimbursable allocation gave superintendents a comprhensive district-wide reimbursable budget. Central produced a comprehensive school allocation document for each superintendency, indicating the formula-driven allocation in each category for each school. Superintendents were better able to reallocate funds *between* schools. For example, a superintendent could overcome school-level inability to merge funding categories by concentrating certain allocations in specific schools and other allocations in other schools, thus eliminating the need to merge funds from different categories at the same school.

- On June 11, 1998, Central distributed these reimbursable allocations to the schools. Although this schedule gave schools only one week or so to examine their total budgets and tables of organization and to schedule their budgets before the June 22nd deadline, the scheduling process was accomplished approximately two months earlier than in past years.
- Many more reimbursable budgets, which had previously not been available until the summer or fall, were made available for scheduling in the June allocation.
- The early budget allocations meant that schools were able to see almost their entire budget on June 11th, creating the conditions for a much more orderly planning process. "The Board has done something it's never done before, and that's commendable," said one principal. "I'm gratified that there is, indeed, in hand our own budget. Never before did we see a budget before the end of August."
- Money was also provided for planning and programming for the summer of 1998, to further support smooth September school openings.
- Class size used in the high school formulas was reduced from 31.6 to 31.0 students, and schools were given $12 million earmarked for two purposes: reducing class size to 25 for juniors taking the new English Regents examination; and reducing class size for students in tenth grade who failed the Sequential I Mathematics Regents examination.

Again, our investigation found systemic efforts -- rather than efforts aimed particularly at the PDB pilot schools -- intended to improve the capacity of all high schools to configure their own budgets.

School-level accountability was addressed by one of the pilot high school principals who observed:

> There is a greater effort by Central to target aspects of the school's budget to meet centrally defined objectives, not school objectives. This goes in the opposite direction from PDB. For example, Project Arts is a tax levy program, but the money is earmarked. We have to rationalize how we spend it. Another example is Central directing how schools should spend money to meet higher standards. They gave more money, but it's targeted to reduce class size in English and math classes. We will be held accountable for *compliance* (process), not student learning outcomes. There is no appreciation of the fact that accountability has to be on outcomes, not on process.

Another principal said,

> What was done was good. I'm not rejecting it. But it could have been done better, by giving schools the latitude to meet their goals better or differently, using different models, rather than this one reduced class size model specifically. Under PDB we were supposed to have relief from mandates and meet our goals however we saw fit – develop innovative models. We should have been able to submit a plan to meet the goals. It's good that funds were provided, but in PDB we should have been given leeway to decide how to meet the need.

When asked what advice this principal might want to offer his district and Central about how to improve the implementation of PDB, he repeated the observations of other high school principals: "Trust us more . . . for the reasons you selected us to get the job done!"

B. PRELIMINARY SURVEY RESULTS

We asked school planning team members in the PDB pilot high schools about their experiences with school planning and budgeting. Surveys were sent to at least three team members from each of the thirteen high schools: the principal, UFT representative and PA/PTA president. In addition, we selected three additional teachers and another parent for the survey from the list of members of the school planning team. In all, 44 team members from the 13 high schools returned our surveys. As was the case in the PDB and Non-PDB district schools, we assumed that members of a school's planning team would be the most knowledgeable about instructional planning and budgeting activities in their schools.

The following analysis is based on preliminary aggregated results from the surveys of these planning team members in the 13 PDB pilot high schools. We also compare the responses from the *high schools* with results from PDB and non-PDB community school *district* schools. We organize our findings according to the seven areas of change necessary for successful PDB implementation.[44]

1. Moving authority in budgeting, spending, personnel matters and instructional planning to the school level.

Survey responses suggest that authority to develop budgets at the school level may have increased over the first year of PDB implementation, although school budgeting was not as universal as in PDB district schools.

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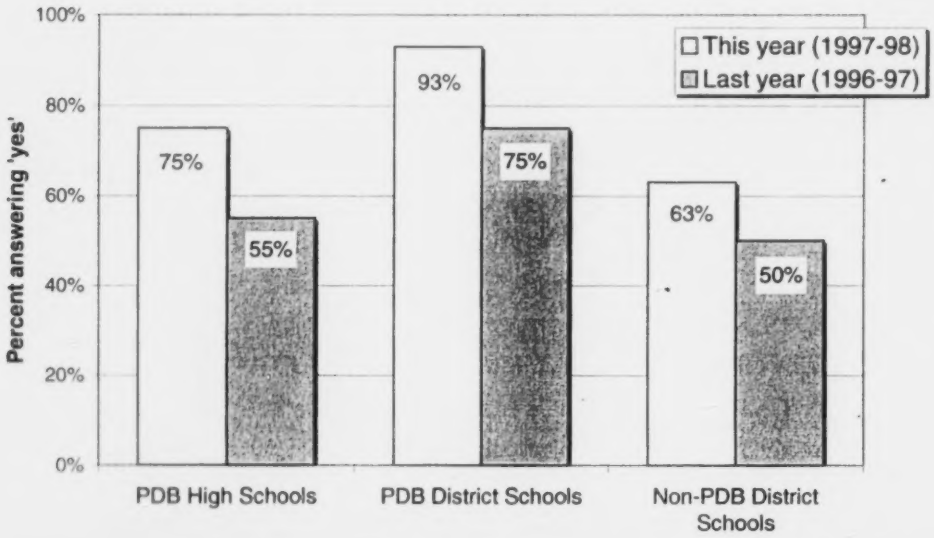
[44] The surveys were mailed to respondents in March 1998;therefore, responses from this group do not reflect the June 1, 1998 allocation of school budgets.

As shown in Chart 6a, three-fourths of high school respondents report that people in their school played a role in developing their school's budget, up from 55% the previous year. This contrasts with the almost unanimous perception among respondents in PDB district schools about involvement in budgeting.

Chart 6a: Did people in your school play any role in developing the budget?



Note: There were 87 respondents – parents, teachers and principals – from the 23 PDB district (elementary and middle) schools, 16 respondents from the 4 Non-PDB district (elementary and middle) schools, and 44 respondents from the 13 PDB high schools.

2. Restructuring resource allocation policies and practices to support school level instructional planning and budgeting.

For successful PDB implementation to take place, school teams must have the ability to allocate the various funding streams that comprise their budgets.

The evidence (Table 6.1) suggests that teams in PDB high schools may be somewhat less engaged in budgeting than teams in PDB district schools.

Less than half the high school respondents said that "people in their school help[ed] decide" about tax levy, PCEN and Title I funds, results that are consistently lower than those from PDB district respondents. More respondents in the high schools indicated that people in their school helped decide how to budget Bilingual/ESL than did those in the non-PDB schools.

Table 6.1: Did people in your school help decide how to budget the following types of funds?*

	PDB High Schools* (N=44)	PDB District Schools* (N=87)	Non-PDB District Schools* (N=16)
Tax Levy	46%	64%	31%
PCEN	43%	57%	25%
Title I	41%	60%	38%
Bilingual/ESL	48%	32%	13%
Special Ed.	36%	31%	13%

Note: Only 3 of 4 high schools in our sample receive Title I funds. Most PDB district schools receive Title I funds.

***Percent answering 'yes'**

* * *

Our hypothesis is that, for successful PDB implementation to take place, school teams must have the capacity to hire the staff they want to hire, and to assign their staff according to school needs. To test this hypothesis, we asked members of school planning teams about flexibility in staffing.

As Table 6.2 suggests, there seems not to have been a significant change in flexibility in hiring and staffing at the school level over the initial year of PDB implementation.

There appears to be little difference in the responses of team members from PDB high schools and PDB and non-PDB district schools. All report limited flexibility in hiring and scheduling staff.

Table 6.2: How much flexibility did your school have in these areas related to staffing?*

	PDB High Schools (N=44)	PDB District Schools (N=87)	Non-PDB District Schools (N=16)
Hiring staff	36%	41%	31%
Scheduling staff during the school day	39%	44%	56%

Percent answering 'a lot.'

* * *

Finally, we hypothesized that for successful PDB implementation to take place, school teams must be able to shape their own budgets across funding categories.

Like PDB district schools, PDB high schools may have some ability to budget funds across categories but have much less ability to roll over money from one year to the next.

Table 6.3 shows that almost as many survey respondents in PDB high schools (52%), as in PDB district schools (63%) said that their school was at least somewhat likely to be able to combine PCEN and tax levy funds to hire teachers. Only one-fourth of the respondents in PDB high schools said their school was at least somewhat likely to be able to hire teachers with money earmarked for administrators' salaries. As to rolling over money from one year to the next, very few respondents reported this as likely to happen in their schools.

Table 6.3: How likely is it that your school COULD do the following?*

	PDB High Schools (N=44)	PDB District Schools (N=87)	Non-PDB District Schools (N=16)
Hire an extra classroom teacher with combined PCEN and tax levy monies	52%	63%	25%
Hire teachers with money earmarked for administrators' salaries	25%	31%	0%
Roll over money from one year's budget into the next year's budget	14%	34%	25%

*Percent answering 'very likely' or 'somewhat likely.'

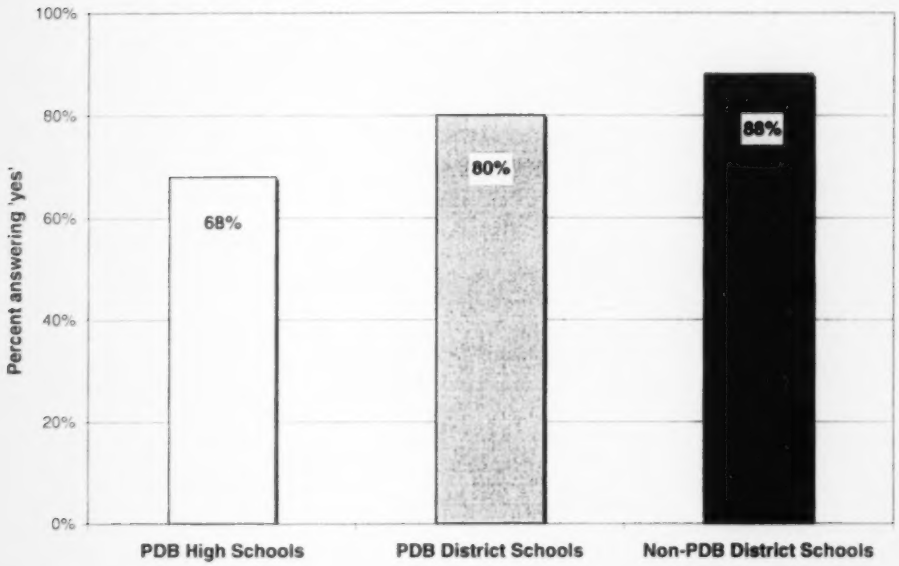
3. Provide the information, in understandable form, to support school planning and budgeting.

We hypothesized that for successful PDB implementation to take place, school planning teams must have access to student performance data that informs their decision-making as they craft a school instructional improvement plan.

The responses from two survey questions do not provide evidence that PDB teams receive student performance data that is useful in forming their instructional improvement plans.

Responses to the first question, shown in Chart 6b, show that roughly two thirds of PDB high school respondents reported that their school team received data on student performance, compared to 80-88% of PDB and non-PDB district schools.

Chart 6b: Did the planning team receive any data on student performance, such as standardized test results?



Note: There were 87 respondents – parents, teachers and principals – from the 23 PDB district (elementary and middle) schools, 16 respondents from the 4 Non-PDB district (elementary and middle) schools, and 44 respondents from the 13 PDB high schools.

To understand how useful the data was to planning team members, we asked team members how useful the data were in identifying needs of at-risk students. Responses from PDB high schools and from PDB and non-PDB district schools are shown in Table 6.4. Fewer than one-third of the respondents from PDB high schools said they found the data they received very useful in identifying the needs of students who do not meet reading or math standards or who have limited English proficiency. Only a handful said they found the data very useful in identifying the needs of other at-risk students.

Table 6.4: How useful were the data your team received in identifying the needs of these at-risk students?*

	PDB High Schools (N=44)	PDB District Schools (N=87)	Non-PDB Schools (N=16)
Students not meeting reading standards	30%	64%	56%
Students not meeting math standards	30%	63%	50%
LEP students	30%	46%	56%
Students requiring special services	14%	39%	38%
Newly arrived students	16%	32%	38%

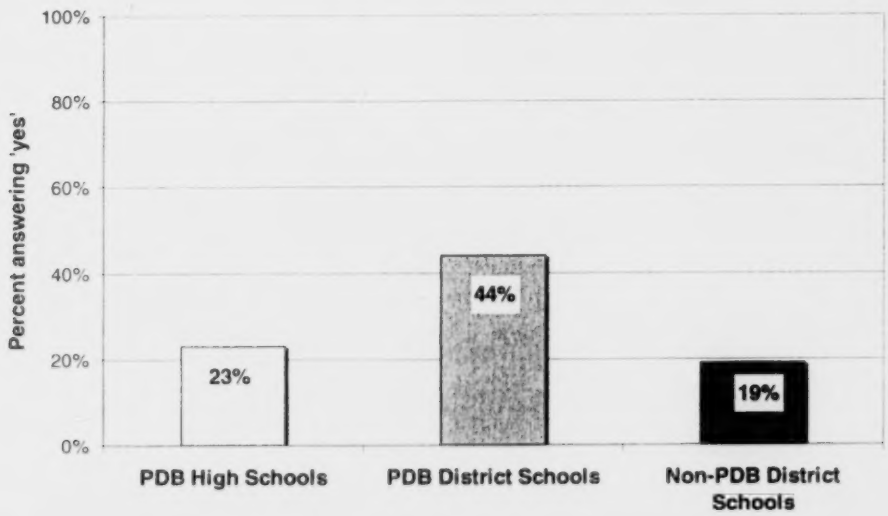
*Percent answering 'very useful.'

4. Provide the training and resources to support school teams in the work of instructional planning and budgeting.

We hypothesized that successful PDB implementation requires that school planning teams receive extensive training and resources to support their work.

Planning team members in PDB high schools do not appear to have received much training this past year for their work on planning teams. Fewer than one-fourth reported that they received any training at all (Chart 6c).

Chart 6c: Did you receive any training at all for your work on the planning team?



Note: There were 87 respondents – parents, teachers and principals – from the 23 PDB district (elementary and middle) schools, 16 respondents from the 4 Non-PDB district (elementary and middle) schools, and 44 respondents from the 13 PDB high schools.

5. Create less hierarchical decision-making relationships and structures at all levels.

Survey responses from PDB high schools, shown in Table 6.5, appear to indicate that principals and other supervisors are engaged in school budgeting. The involvement of the other constituents, especially parents, is more limited.

In PDB high schools, similar to PDB district schools, a high percentage of respondents reported that principals and other supervisors in their school participated in developing their school's budget. Respondents said that fewer teachers, UFT chapter chairs, and planning team members participated in budgeting. Finally, only half as many high school respondents as respondents from the PDB district schools said that parents participated in budgeting in their school.

It is also noteworthy that 59% of the respondents reported that their school's planning team itself participated in developing the school's budget, compared to 75% of the respondents from PDB district schools who responded positively to this question.

Table 6.5: Who in your school participated in developing the budget?*

	PDB high schools (N=44)	PDB district schools (N=87)	Non-PDB district schools (N=16)
Principal	82%	94%	69%
Other supervisor	75%	77%	50%
Teachers	**61%**	**84%**	**44%**
UFT Chapter Chair	59%	80%	50%
Other staff	18%	46%	38%
PA/PTA	**39%**	**75%**	**44%**
Planning Team	**59%**	**75%**	**50%**

*Respondents were instructed to indicate all who participated.

* * *

Another hypothesis we tested was that school staff and parents would have greater influence over budgeting decisions.

The evidence from two survey questions (Tables 6.6 and 6.7) indicates that school planning teams, teachers and parents in PDB high schools do not seem to be very influential in making budgetary decisions.

In response to one question, ninety-three percent of respondents in PDB high schools, as in PDB district schools, reported that the principal or other supervisor was very influential in deciding how money is budgeted in their school. Fewer than one-third reported that teachers, UFT chapter chairs and the planning team were very influential in deciding how money is budgeted. Only 9% of respondents said that parents were influential in budgeting, compared to 46% in PDB district schools, and 32% reported that the planning team was influential, compared to 60% in PDB district schools.

Table 6.6: How influential was each of the following people within your school in deciding how money is budgeted?*

	PDB high schools (N=44)	PDB district schools (N=87)	Non-PDB district schools (N=16)
Principal/other supervisor	93%	93%	69%
Teachers	**23%**	**33%**	**69%**
Other staff	5%	17%	0%
UFT chapter chair	27%	39%	0%
PA/PTA	**9%**	**46%**	**0%**
Planning team	**32%**	**60%**	**31%**

*Respondents were instructed to indicate all who were influential. Numbers refer to percent answering 'very.'

Responses to another survey question -- Who chaired the planning team? – indicate that teachers seem to share team leadership responsibilities with principals and other supervisors in PDB high schools.

PDB high school respondents reported that teachers were more likely to chair their school's planning team than principals or other supervisors. However, only 7% of these respondents said that parents chaired PDB high school planning teams.

Table 6.7: Who chaired the planning team?

	PDB high schools (N=44)	PDB district schools (N=87)	Non-PDB district schools (N=16)
Principal	36%	33%	44%
Other supervisor	23%	23%	19%
Teacher	**41%**	**68%**	**81%**
Parent	**7%**	**20%**	**0%**

Note: The survey instructed respondents to indicate as many as apply, if there were co-chairs or rotating chairs.

6. Establish clear responsibility for accountability and effective public reporting mechanisms.

We hypothesized that, with successful PDB implementation, and as part of an effort to keep the school system focused on continuous improvement, there would be an increase in the reporting of information to parents.

The survey results shown in Table 6.8 suggest that PDB high schools do not share much information with their parents.

Relatively little information seems to be shared with the school's parent body in the PDB high schools. Less than half as many respondents in PDB high schools responded that considerable information was shared with the parent body, compared to the response from PDB and non-PDB schools.

Table 6.8: How much information was shared by the school with the school's parent body in the following areas?*

	PDB high schools (N=44)	PDB district (N=87)	Non-PDB district schools (N=16)
Student performance	39%	78%	75%
Student performance goals	25%	76%	63%
School's instructional improvement plan	25%	61%	63%
School's curriculum	32%	72%	75%
School's budget	**14%**	**37%**	**25%**

*Percent answering 'a lot.'

7. Develop a culture that supports school decision-making and continuous school improvement.

We hypothesized that, with successful PDB implementation, planning team members would perceive their schools as better places for student learning.

After a year in the PDB Initiative (Table 6.9), most PDB high school respondents did not report that they thought their school was a better place for student learning.

Table 6.9: After a year in the PDB Initiative, do you think your school is:

	PDB high schools* (N=44)	PDB district schools* (N=87)	Non-PDB district* (N=16)
A better place for student learning	**32%**	**72%**	**38%**
A worse place for student learning	0%	0%	0%
About the same for student learning	61%	24%	25%

Columns don't total 100% because some respondents didn't answer this question. * = percent answering 'yes.'

CONCLUSION

In most of the seven categories we hypothesize as being necessary for effective PDB implementation, survey results suggest that PDB high school team members are less involved in school level planning and budgeting than are school team members from the PDB community school districts.

Though survey evidence should always be treated as provisional and suggestive only, our results point to the possibility that implementation of PDB in the high schools has only begun to move in the direction of collaborative budgeting for instructional improvement.

CHAPTER 7:
TECHNICAL ASSISTANCE

In early October, 1997, after the NYU proposal for the evaluation of PDB was accepted, NYU evaluators held a series of meetings with the Deputy Chancellor and his staff to flesh out a comprehensive plan for the evaluation. The Deputy Chancellor was particularly interested in ensuring that this would be an interactive evaluation with considerable feedback and technical assistance from NYU built into the design. The Evaluation Design was completed in November, 1997, and approved by the Phase I participants and the Deputy Chancellor in December, 1997.

PARTICIPATION IN THE DESIGN OF THE PDB IMPLEMENTATION

In the course of discussions between NYU and the Deputy Chancellor and his staff, from October, 1997 through January, 1998, what began as an exploration of evaluation design issues often became extended explorations of Central's evolving PDB implementation plan. For example:

- In October, 1997, NYU staff participated in a discussion with Central fiscal staff about the design of the FY 1999 budget request process (through which schools and districts create requests for incremental budgets that Central aggregates and presents as part of its formal budget request to the city and state.)
- NYU staff met with senior Information Technology staff from November, 1997, through early January, 1998, to discuss how Central's Strategic Technology Plan can support communication among schools implementing PDB.

As PDB evolves, NYU continues to provide periodic feedback to Central about implementation issues at Central, the districts and the schools.

PDB TECHNOLOGY PLAN: FACILITATION OF ONLINE COMMUNICATION AMONG PDB PARTICIPANTS

In its plan, the PDB Planning Team called for PDB design teams to communicate "electronically via email and electronic bulletin boards." Our earliest meetings with the Deputy Chancellor have repeatedly emphasized the critical importance of communication among all PDB participants to share the learnings from the Phase I pilot experience across the rest of the city system.

Chief Financial Officer Beverly Donohue, responsible for overall coordination of PDB, said that, once PDB was fully implemented, "we will have horizontal communication rather than just vertical [communication]. This system has never had communication among the districts and among the schools. With horizontal communication, I am hoping the schools help us force more flexibility into the system. Hopefully, they will work together to demand change."

The PDB Web Conference Center (WCC)

In order to develop the horizontal communication needed to force systemic change -- and to create the sharing communities of parents and educators who can make PDB work in the schools -- NYU created a "virtual" conference center we call the PDB Web Conference Center (WCC). (See Appendix F: How to Use the Web Conference Center)

By April, 1998, NYU completed the technical aspects of creating the conference center, which included purchasing a server and related software, developing the application, designing a web site and creating a database of PDB participants. In the spring and summer of 1998, NYU made several presentations and held extensive conversations and feedback with individuals at Central and the field.

Central purchased laptop computers to facilitate communication among Phase I PDB participants. Implementation of the Web Conference Center is scheduled to begin with the Core Group Directors of Operations in the fall of 1998.

Need for Web-based Communication

To most effectively implement PDB, participants would engage in person-to-person or face-to-face discussion and extensive collaboration to learn from each other. However, because of the difficulties in arranging mutually agreeable meeting times for busy professionals – often across considerable distances – direct interaction is not always feasible. Communication via telephones, standard mail, and fax can serve as proxies for meetings, but none of these media are capable of meeting the needs of schools and districts for easy and effective communication and collaboration.

A Bronx parent spoke recently of his frustration with parents and staff being unable to find the time for school planning team meetings. The current school governance process, he said, is "hardly an informed democratic process. I see only one avenue to improve this process. And that involves communication. Parents need the ability to communicate with one another at two in the afternoon from work, or 11 at night

when Jose and Jane have been bedded down. What they need is an old-fashioned computer bulletin board system. Something that will allow them to send email to one another. Something with a living calendar – so if they see a meeting they can't attend, they'll be able to send their questions or comments right there – at 11 at night. Things like file sharing, polls and teleconferences – the everyday of the business world – will create the time parents, teachers and administrators need to govern."[45]

Based on Internet technology, NYU's PDB web conference center allows PDB participants to interact, share documents, and collaborate without having to schedule meetings or arrange telephone conferences. The web conference center is reached through the PDB web site (www.NYU.edu/PDB). Each user – principal, school team, or authorized district or central user – has an assigned user name and password that permits access to the conference center and to one or more conferences within the center.

The PDB Web Site

The PDB web site primarily exists to provide information about Performance Driven Budgeting. Unlike the Web Conference Center, the PDB web site is open to the public. It contains general information about performance driven budgeting, a current list of participating schools and districts (including links to their web sites, where they exist), links to other relevant sites, and a link to NYCEnet, the Board of Education's web site. PDB participants may enter the web conference center from this web site. PDB schools and districts which have their own web sites can link to the PDB web site and inform everyone on the Internet about their school and their work.

How the Web Conference Center (WCC) Works

Users can post and request information and share documents. The WCC automatically logs everything participants communicate, and creates a visual record that can be viewed by any authorized user at any time. This fosters sharing of experiences and information across distance and time. For example, a Director of Operations could post answers to questions about on-site budgeting, so *all* schools in the district would benefit from

[45] Tom Lowenhaupt, commenting at the October 19, 1998, Bronx public meeting on the Chancellor's Draft Plan for School Leadership Teams.

the answer. This would take only a few minutes, and eliminate the need to repeatedly answer the same question from many schools.

The web conference center can host a large number of "conference rooms" simultaneously; conference rooms can be public (open to all PDB users) or restricted to any subset of the PDB community. For example, there could be a separate conference room for District 22 principals, another for District 22 teams, another for a particular school and its Phase II "buddies," and another for schools to ask and receive answers to questions about budgeting from the Director of Operations.

- Within each conference, separate conversation topics can co-exist, *determined by any user*. Related messages would be listed under each topic. For example, one topic could be: "Issues around Title I budgeting," another: "Making Teams Work," and another: "Training Issues."
- Key data and documents can be placed in their own conference room. For example, District 13 could post budget updates in the "District 13 Budget" conference room. Only District 13 users would be able to access this conference room.
- Separate conference rooms, or live, real-time "chats" can be set up for any group of users – e.g., district office personnel and their central advocate, a group of principals working collaboratively on a project, or planning team chairs in neighboring schools comparing notes and timelines.
- One-to-one or group Email communication is facilitated for all users.

IMPLEMENTATION ISSUES IN OTHER CITIES: CROSS CITY CAMPAIGN

As part of its technical assistance effort, NYU proposed that the Cross City Campaign for Urban School Reform write a paper that reviews the lessons learned from school-based budgeting efforts in other cities. NYU would then review and circulate the paper to PDB participants as an aid to implementation.

The Cross City Campaign developed, over the past four years, a national school-based budgeting program that has encouraged the creation of budgeting software packages, training programs for school-site budgeting teams, cross-site budgeting analysis, and a series of site visits (including several visits to Edmonton, Alberta Province, Canada), arranged as shared learning experiences for representatives of large urban school systems involved in site-based budgeting efforts.

The Cross City Campaign agreed to author a paper analyzing the lessons learned from a variety of site-based budgeting efforts to aid the implementation of PDB in New York City. Given the need for training and support for school-level teams, and given how critical the role of effective training and support will be to the success of PDB, NYU has asked the Cross City Campaign to analyze the nature and effectiveness of the training and support provided by districts to school site teams in several major school-based budgeting efforts. The Cross City Campaign is currently finalizing their outline for the paper and will submit it shortly.

INTERIM REPORT ON SCHOOL-BASED BUDGETING REGULATIONS

As part of the 1996 governance changes enacted by the New York State legislature, the Chancellor was required to produce new regulations that aid and support the process of school-based budgeting by November, 1998. At the request of the Deputy Chancellor, NYU included in its evaluation design a provision of assistance to Central in developing those regulations.

Central formed a Chancellor's Task Force for School-Based Budget Regulations to solidify this requirement. The Task Force chair has asked NYU to serve in an advisory capacity, to review its draft regulations and to provide comments and suggestions. NYU is committed to providing all the support necessary to insure that the draft regulations developed by the Chancellor's Task Force incorporate the experiences of the PDB effort and the lessons learned, thus far, about effective implementation.

SUPPORT FOR PDB: MANAGEMENT TRAINING

Early in the effort to establish the Core Group, composed of Directors of Operations of the Phase I districts, as the field-based direction of the PDB initiative, it was decided that a professional development effort was critical to building the capacity for leadership of the Directors of Operations. Therefore core group leader Liz Gewirtzman initiated, with support from the Institute and NYU's Wagner School of Public Service, an intensive exploration and analysis of a variety of issues critical to effective management – work processes, teaching and coaching, high performance teams, conflict management, diversity, and outcomes and measurement. Faculty from the Wagner School are working with the Directors of Operations of all Phase I and Phase II districts in intensive four-hour sessions across a twenty-week cycle to

investigate and analyze these issues. A similar sequence is being provided for the senior Central staff serving as district advocates.

CHAPTER 8:
INITIAL CONCLUSIONS

A. OVERALL CHANGES AT THE SYSTEM LEVEL

Significant changes set in motion by the Central level of the New York City Board of Education in both instructional and operational realms seem to reflect an encompassing vision of: (1) what schools require to make effective instructional decisions and to configure their budgets to support those decisions and (2) the critical Central-level administrative and operational structures that must be transformed if schools are to make effective instructional and budgetary decisions.

The changes Central has set in motion suggest a major shift, from traditional forms of hierarchically mandated allocations, procedures and operations to a much more user-friendly support and provision system. This perception of a significant change in how Central has historically functioned may be overly optimistic; there are clearly individuals and offices at Central laboring to comply with new directions they neither understand nor agree with. Nor does this apparent shift, at least at this stage, seem irreversible; a loss of momentum, new policy directions, or obdurate resistance might well contribute to a reassertion of command and control modes of budgeting operation.

Nevertheless, quite purposive activity is currently attempting to link and integrate many traditionally separated and fragmented operations and functions. If such integrating activity accelerates, it may prove possible to realign Central as a support structure for school-based instructional planning and budgeting.

Changes in the Instructional Domain

Planning and Assessment:

The introduction of systemwide New Standards in both content and performance in the major disciplines establishes a uniform set of expectations about what students should know and be able to do, along with a set of uniform benchmarks to help teachers, parents and students understand what constitutes appropriate achievement at each grade level. Instead of a Scope and Sequence program that dictates subject area coverage, school planning teams should eventually have specific content and performance standards, and assessments measuring the extent to which students meet those standards, so that teams can assess school

effectiveness and decide how best to improve their achievement. If successfully implemented, this will be a signal contribution to effective school site planning.

The ongoing development of the Comprehensive Educational Plan (CEP) and the District Comprehensive Educational Plan (DCEP) provides specific instructional planning tools for schools and districts. Both the CEP and DCEP require analysis of outcomes data and focus school planners on the achievements and needs of students, disaggregated by demographics and levels of performance. The CEP and DCEP are designed to focus schools and districts on what they need to do better, and to design the changes in instruction, classroom and school organization, supporting structures and professional development necessary to improve student achievement.

To assist with the critical task of school site planning, Central has also developed the Performance Assessment in Schools Systemwide (PASS), a school assessment instrument based on effective schools research, that allows either an external or internal review team to consider how effectively a school functions in the key areas of instruction, school organization and school culture. The PASS review is designed to produce critical findings that its school planning team can use in developing improvement efforts.

Accountability

Central has developed the CEP and DCEP for accountability purposes as well as for instructional and operational planning. Just as the CEP is supposed to be the key document used by a district superintendent to hold a principal accountable, the DCEP is supposed to be the key document used by the Chancellor to hold a superintendent accountable. Thus the extent to which the ongoing development of both the CEP and DCEP produce useful planning tools will also determine how effective an accountability framework each can provide. Both superintendents and the Chancellor need a framework for understanding how schools and districts define their achievements and shortcomings, what they have committed themselves to do to address those shortcomings, and how well they are succeeding. Hopefully, the CEP and DCEP will evolve into the kinds of instruments that can double as both planning tools and accountability frameworks.

The development of Comprehensive Performance Indicators, to provide school-based outcome data for the superintendent's evaluation of the district's principals, is another example of an accountability tool developed to aid district planning. The

Comprehensive Performance Indicators provide a critical read of the key performance data of a district's schools.

The development of a model superintendent's contract, focused on district-wide instructional achievement, represents another clear gain in accountability. The 1996 governance legislation (see below) gave the Chancellor the power to oversee superintendent selection, and required the Chancellor to develop a model superintendent's contract. The contract the Chancellor developed focused the definition of superintendent performance squarely on student outcomes in the district. Thus a contract based in instructional achievement anchors the lines of ultimate authority on improving student outcomes in the district's schools.

Similarly, performance reviews, for both principals and superintendents, examine the extent of implementation of both the CEP and DCEP, and thereby link effective planning to the instructional planning processes at the school and district level. By using the CEP and DCEP as templates, the reviews can become more useful accountability processes than a singular focus on outcomes would produce.

Central has also been working with the New York State Education Department to integrate the planning and budgeting requirements of the plethora of federal and state reimbursable programs into the CEP and DCEP, so that schools and districts can work with one universal planning document. Producing such a unitary document would help reduce bureaucratic requirements and would contribute to reducing the fragmentation of vision, mission and direction many schools experience.

Changes in the Operations Domain

As Chapter 4 indicates, numerous structural changes in the budget and finance areas have produced a range of school-friendly innovations:

- much earlier budget allocations to districts and therefore to schools;
- the acceptance, by the Budget Office, of the principle and practice of end-of-year rollovers of tax levy funds, thereby freeing district offices from the necessity of honing the practice of a variety of non-productive fiscal games;
- more efficient and user-friendly business practices, particularly in the purchasing arena which had been, traditionally, the source of bitter school and district complaints;

- the annual production of comprehensive school-by-school budget and expenditure reports, which provide an increasingly sophisticated definition of educational investment at school, district and Central levels;
- the transformation of the traditionally symbolic "wish list" budget request process into a school planning tool that aggregates upward into both a district and Chancellor's budget request; and
- the efforts to transform the Budget Office from a monitoring agency, concerned with identifying malpractice, into a service organization, committed to building district fiscal capacity and supporting and rewarding effective practice.

All these efforts, some more evolved than others, are beginning to transform the school system's budget and fiscal processes into support structures that provide the initial allocations, the requisite flexibility and the information necessary to help school teams become effective instructional planners and budgeters.

Changes in Governance

The 1996 legislative changes in the New York City school governance law charged the Chancellor with establishing school site teams to carry out school-based budgeting. The Chancellor's recently adopted policy, The Chancellor's Plan for School Leadership Teams, gives school teams two paramount responsibilities: to develop their school's CEP as the framework for instructional improvement; and to configure their school's budget to support the implementation of the CEP. These two mandates locate responsibility for instructional planning, and the budgeting to support it, at the school site and in the school team.

Structural Changes

The initial PDB design assumed that the implementation process at the district level would increasingly identify areas of Central policy and practice that required changes if effective school-based instructional and budgeting decisions were to proceed. The transformation of PDB from a Centrally driven initiative to a field-driven approach is evidence of Central's commitment to effective school-based instructional planning and budgeting as a reciprocal system of continuous improvement and correction. The replacement of the hypothetical Central/district design teams with the advocate processes of the field-driven system was a strong corrective to ensure that school and district level concerns were not only effectively articulated, but actually acted on by Central.

This reciprocal process linking Central advocates to district implementation hadn't crystallized during the period covered by this first year Evaluation Report. Thus the significant structural and operational changes identified above were instituted unilaterally by Central offices and divisions. Hopefully, in our next report, we will be able to describe and assess both the efforts of the advocacy processes and the system changes that result from the field-driven approach.

B. Concerns at the System Level

Instruction

a) We have some concern about the centrality of planning as a mode of school improvement, and the relationship of planning to the kinds of capacity building that many poorly performing schools require. The CEP/DCEP system depends on school capacity to plan effectively for instructional improvement; the Board needs to concentrate efforts to ensure that poorly performing schools and districts have the capacity to support effective instructional planning processes.

b) The extent of alignment of the City's assessments with the New Standards content and performance standards is critical to effective school-based instructional planning. How closely will the new city assessments be aligned? The totality of the city and state assessments that NYC students take must reinforce a clear focus on the New Standards, rather than assess areas outside the New Standards curricula.

c) With systemwide efforts at high school reform under way, it is unclear what implication this has for PDB implementation in the high schools.

Operations

a) We have some concerns about how far below the command level commitment extends to the new role of Central as a supportive structure to field-driven and school-based reform. School level ability to hire and assign staff, for example, doesn't appear to have been appreciably improved, although there is some task force activity planned within the Division of Human Resources. Although the original PDB design acknowledged school-based hiring as a critical ingredient of effective school-based instructional planning, progress on this issue seems slow.

b) Another example of a lag on a critical variable has been the delay in allowing schools to merge separate funding streams in pursuit of more effective instructional planning. The request to create additional flexibility with the PCEN allocation, perhaps through waivers from SED, has been repeatedly advanced by several districts. Yet progress seems slow on both this specific

example, as well as on the overarching need to merge separate funding streams for more effective school budgeting.

Governance

Now that the Chancellor's policy statement has established the dual responsibilities of school leadership teams, training to help those teams successfully fulfill their responsibilities becomes a crucial requirement for PDB effectiveness. Three kinds of training seem to be required: 1) training on what teams need to know in order to function; 2) training on how to do instructional planning; and 3) training on budgeting and finance. How will such training be conceptualized, organized, and funded?

Structural

The effectiveness of any accountability system depends, in part, on the delivery of useful data to districts and schools. For PDB, the word "data" means particularly school-level outcome data on student achievement, differentiated by relevant quartile or other segment, demographic category, special education status and grade and classroom. We are not sure that such relevant data are being provided to schools in user-friendly formats. Moreover, what seems to be a non-integration of critical functions, such as data production and dissemination between the Operations and Instructional realms, may be inhibiting the integration that schools require to do effective planning.

To be specific, there seems to be some bifurcation of data production through the Division of Assessment and Accountability (DAA) and the ATS system. DAA, for example, has produced the Comprehensive Performance Indicators designed for superintendents, while ATS is producing the Decision Support System designed for principals. Given the potential usefulness of these data provision programs, as well as the larger data systems that both DAA and ATS are working to improve, the Board should concentrate its efforts to integrate these two data support systems at the district and school levels, and provide training on their use, to support more effective instructional planning.

C. Concerns at the District Level

The initial PDB design invested in the development of multiple district models, rather than opting for a traditional, centrally mandated, uniform implementation approach. This design choice seems to have paid off: all the Phase I districts, to

some extent, seem to be integrating their PDB implementation into their developing modes of school-based instructional planning and budgeting. In two districts, Phase I efforts have reinforced strong, integrated models. Our concerns center on the subsequent phases of PDB development.

The field-driven effort is working to insure that the Galaxy budgeting system will not only be effectively implemented, but will become the engine of change driving school-based budgeting. Similarly, the CEP will need to become the engine for driving effective instructional planning.

By 2000-2001, for example, all school teams must develop their CEPs and configure their own budgets. Therefore all districts, as well as supporting Central divisions and offices, will be responsible for providing what schools need to develop their capacity to do effective instructional planning and budgeting. Currently District 2 and District 22, of the Phase I pilot districts, seem to have the district-level capacity to help all their schools become effective planners and budgeters by the 2000-2001 deadline. But a somewhat less intense pace of development exists in the other four pilot districts; and the Phase II and Phase III districts, by design and definition, are likely to be even less evolved.

What will increase the pace of development in the non-pilot districts, and strengthen the efforts to build the capacity of school-level planning teams?

The successful universal application of the Galaxy budgeting and CEP planning systems would make a major contribution to effective instructional planning. Earlier we focused on how school-based capacity to plan must be successfully developed, particularly in low-performing schools that presumably do not have such capacity.

We are also concerned with how districts learn to develop, and build, *their* capacity to help schools learn how to plan instructionally and to budget. Districts have not traditionally concentrated on learning how to help schools improve; district administrations have either assumed that the knowledge they need is already resident in their staffs, or else they have assumed that they could purchase the relevant expertise through consultant arrangements. Because, in many districts, the results of both assumptions have not brought about gains in student performance, we are concerned about how districts will proceed to learn how to develop and augment their capacity to help school teams becoming effective planners and budgeters.

A specific example of this concern: Because the CEP is both the evidence, and the product, of school-level planning capacity, the CEP must be assessed by the district, in terms of its likely effect on improving the school's student outcomes. Yet many districts have not developed the expertise to assess the effectiveness of school-based planning documents, as opposed to screening those documents for compliance with Central, state and federal rules and procedures. How will districts develop their own capacity to assess the utility of school CEPs?

Earlier we stressed the need for the provision of effective training for the school leadership team. The first-level provision of training must come from the district. We are concerned that districts must build their own capacity to provide the training and support that effective school level teams require. Moreover, provision of effective training clearly requires considerable time investment. Districts, and Central must change the definition of the school day and provide the contractual relief necessary to insure that school teams are provided the necessary time to successfully carry out their planning and budgeting responsibilities.

D. Concerns at the School Level

We have an overarching concern about how all the changes that Central has set in motion will affect the planning and budgeting efforts carried out by teams at the school level. If the changes reach the school level as disparate and fragmented initiatives, school teams may wind up responding to partial imperatives rather than a fully integrated approach. Our next report will examine the school-level planning efforts.

APPENDIX A:
PHASE I DISTRICTS AND SCHOOLS

District 2

PS 1, The Alfred E. Smith School
PS 2, The London Meyer School
PS 3, The John Melser Charrette School
PS 6, Lillie Deveraux Blake School
PS 11, The William J. Harris School
PS 33, The Chelsea School
PS 40, The Augustus St. Gaudens School
PS 41, Greenwich Village School
PS 42, The Benjamin Altman School
PS 51, The Elias Howe Elementary School
PS 59, The Beekman Hill International School
IS 70, The O'Henry School
M104, Simon Baruch Middle School
PS/IS 111, The Adolph S. Ochs Elementary School
PS 116, The Mary Lindley Murray School
PS 124, The Yung Wing School
PS/IS 126, The Jacob Riis Community School
PS 130, The Desoto School
IS 131, Dr. Sun Yet Sen School
PS 151, The Eleanor Roosevelt School
PS 158, The Bayard Taylor Elementary School
MS 167, Robert F. Wagner School
PS 183, The School of Discovery
PS 198, Isador & Ida Straus School
PS/IS 217, The Roosevelt Island School
PS 234, The Independence School
PS 290, Manhattan New School
M 871, NYC Lober Lab School
M 874, Midtown West School
M 875, Early Childhood Center
M877, NYC Upper Lab School
M878, School of the Future
IS 881, Clinton School
M882, East Side Middle School
M889, The Museum School

M 890, The Bridges School
M 891, Salk School of Science
M 894, Ballet Tech
M 896, Greenwich Village Middle School
M897, Manhattan Academy of Technology

District 9

CES 42, The Claremont Community School
CES 126, The Dr. Margorie Dunbar School
CES 148, Dr. Charles R. Drew Village School

District 13

PS 3, Bedford Village School
PS 8, The Robert Fulton School
PS 11, Purvis J. Behan School
PS 44, Marcus Garvey School
IS 113, Ronald Edmond Learning Center
PS 282, Park Slope Elementary School
PS 287, Dr. Bailey K. Ashford School

District 19

PS 7
IS 292, Margaret S. Douglas Intermediate School
PS 345, Robert Bolden School
PS 409, East New York Family Academy

District 20

PS 102, The Bayview School
IS 187, Christa McAuliffe Intermediate School
PS 200, The Benson Elementary School

District 22

PS 52, The Sheepshead Bay Elementary School
PS 119, The Amersfort School
PS 193, The Gil Hodges School
PS 206, Joseph F. Lamb Elementary School
PS 217, Colonel David M. Marcus Elementary School
PS 222, Katherine R. Snyder Elementary School
IS 234, W.A. Cunningham Intermediate School
PS 236, Millbasin School
IS 278, Marine Park Intermediate School
PS 312

High Schools

Alternative

The Brooklyn International High School
International High School at LaGuardia
The Manhattan International High School

Brooklyn

Clara Barton High School
Edward R. Murrow High School
Erasmus Hall Campus: Humanities
Samuel J. Tilden High School
Thomas Jefferson High School

Manhattan

M887, School for Physical City
M894, Baruch College Campus HS

Queens

Bayside High School
Flushing High School
Law, Government & Community Service High School
Newcomers High School
Queens Vocational & Technical High School

PHASE II DISTRICTS

Community School District 3
Community School District 7
Community School District 8
Community School District 10
Community School District 11
Community School District 15
Community School District 17
Community School District 23
Community School District 24
Community School District 27
Community School District 28
Community School District 29

APPENDIX B:
PDB GOALS & PRINCIPLES

The PDB Planning Team that designed PDB in 1996 wrote this statement:

> *The goal of the PDB initiative is to redefine relationships and decision-making authority among the three levels of the school system so that decisions about the use of resources are directly linked to effective instructional strategies and improved student achievement.*

They felt that, if the school system adopted the following principles, "the structure of authority, responsibility and accountability within the New York City school system can and will be renegotiated to establish a healthy and effective partnership between the Central Board, Districts and Schools":

- The ultimate measure of the effectiveness of this initiative is its impact on teaching and learning.
- The principalship is the most crucial leadership position in the system.
- The most crucial work in the system is done by teachers in the classroom.
- With greater authority to manage resources comes greater responsibility and accountability for achieving results.
- Instructional strategies are most effective when resources and actions are aligned to improve teaching and learning.
- The best alignment of resources and actions takes place when decisions are made closest to where teaching and learning take place.
- This alignment can occur only when authority is delegated to schools to make decisions within a framework of goals and priorities established by the Central Board and districts.
- Teachers, support staff, administration, and parents are involved in key decisions that affect schools.
- The role of the central and district offices is to provide services to support teachers, principals, superintendents, and parents.

PDB Phase I Selection Committee

Marjorie Blum, Office of Budget Operations & Review

Matthew Bromme, Principal
Elizabeth Blackwell JHS 210Q

Michael Buzzeo, Teacher
RFK Community High School

Judy Chin
Division of Instructional Support

Carolyn Clark
New York City Partnership

Noreen Connell
Educational Priorities Panel

Hazel Dubois, Teacher
Renaissance School, District 30

Larry Edwards
Division of the Supervising Superintendent K-12

Annie Finn
Office of Budget Operations & Review

Norm Fruchter
NYU Institute for Education & Social Policy

John Gentile
Council of Supervisors and Administrators

Vincent Giordano
Division of Instructional Support

Fran Goldstein
Division of Instructional Support

Arthur Greenberg, Superintendent
District 25

Lillian Hernandez
Office Bilingual Education

Tom Jennings
District Council 37

Mark Kellett
New York State Education Department

Galen Kirkland
Advocates for Children

Stan Klein
Division of the Supervising Superintendent K-12

Jospeh Lhota
NYC Office of Management and Budget

Ernest Logan, Principal
Ocean Hill Secondary School (IS 55K)

Gaynor McCown
New York City Partnership

Myrta Rivera
Division of Instructional Support

David Rubenstein
NYC Office of Management and Budget

Paul Saronson, Principal
Fiorello LaGuardia High School

Elizabeth Schnee
Chancellor's Parent Advisory Committee

Dorothy Siegel
NYU Institute for Education & Social Policy

David Sherman
United Federation of Teachers

Judith Solomon
Office of Budget Operations & Review

David Taylor
Office of Budget Operations & Review

Janet Torre
Office of Budget Operations & Review

Phoebe Weiner, Member
Community School Board 28

APPENDIX C:
NYC SCHOOL SYSTEM PERSONNEL INTERVIEWED FOR PDB EVALUATION

CENTRAL

Marjorie Blum, Executive Director
Division of Budget Operations and Review

Louis Benevento, Executive Director
Division of Financial Operations

William P. Casey, Chief Executive for Program Development and Dissemination
Division of Instruction

Beverly Donohue, Chief Financial Officer

Liz Gewirtzman, Project Director
Performance Driven Budgeting Initiative

John T. Green, Deputy Director for Resource Management and Support Services
Division of Budget Operations and Review

Neil Harwayne, Deputy Superintendent of Operations
School Programs and Support Services, Division of Instruction

Margaret R. Harrington, Chief of School Programs and Support Services
Division of Instruction

Mitchel Klein, Developer of Galaxy
Office of Business Systems, Division of Management and Information Systems

Rena Leikind, Director
Office of User Support Services, Division of Management Information Systems

Dolores Mei, Deputy Director
Division of Assessment and Accountability

Judith S. Solomon, Deputy Director, Instructional Programs
Division of Budget Operations and Review

Howard S. Tames, Executive Director
Division of Human Resources

Robert Tobias, Executive Director
Division of Assessment and Accountability

COMMUNITY SCHOOL DISTRICTS

Community School District 2

Robert Wilson, Business Manager

Carol Slocombe, Director of Funded Programs

Community School District 6

Alan Godlewicz, Director of Operations

Community School District 9

Vincent Clark, Director of Operations

Community School District 13

Dr. Lester W. Young, Jr., Superintendent

Efraim Villafane, Director of Operations

Community School District 19

Robert E. Riccobono, Superintendent

Magda Dekki, Director of Operations

Community School District 20

Mark Gullo, Director of Operations

Community School District 22

John T. Comer, Superintendent

Robert Radday, Deputy Superintendent

Jerry Schondorf, Director of Operations

Anne MacKinnon, School Board member

Community School District 30

William Barrish, Director of Operations

HIGH SCHOOLS

Queens High Schools

John W. Lee, Superintendent

Rowena Karsh, Deputy Superintendent

Ann Markon, Senior Executive Assistant for Finance

Rick Hallman, Director of Instruction

Brooklyn High Schools

Joyce R. Coppin, Superintendent

Patricia J. Kobetts, Deputy Superintendent

Patricia J. Karlstein, Assistant to the Senior Executive

Don Roth, Senior Executive Assistant for Operations

Bernadette Kriftcher, Director of Instruction

Wendy Karp, Director of Funded Programs

Stephen Prenner, Supervisor of Guidance and Pupil Personnel Services

International High School Network, Alternative Schools & Programs

Eric Nadelstern, Director
International High School Network

APPENDIX D:
SCHOOL OBSERVATION AND INTERVIEW PROTOCOLS

Observation Topics

When you write your narrative about your observation at planning team meetings, keep the following in mind:

I. Team Composition

1. You will be using the attached school information form to write down who is attending the planning team meeting.

    a. Please put a check mark next to the name of people attending.

    b. Put an "A" next to those listed but not attending.

    c. And add the names of people who are attending but are not listed. This is critical information about team composition and must be gathered by you for every meeting you observe. You may have to ask a team member for help.

2. Does the team seem to be representative of the school?

II. Team Functioning/Decision Making

1. What was the discussion about?
    a) What were the main points made in the discussion?
    b) Was the discussion resolved?
    c) Is there follow-up? Who's doing it?
    d) Who participates **[1] strongly [2] weakly [3] not at all** in the discussions?
2. Process/roles
    a) Who runs the meeting?
    b) What is the principal's role?
    c) What roles do parents/students/staff play?
    d) Whose voice is listened to most? Least?
    e) Is there a printed agenda? Who prepared it? Is it followed?
    f) How collaborative is the process? How authoritative? Who is the authority?
    g) Who makes the final decisions?
    h) If the decisions are made by consensus, does the Principal have a veto?
3. How are conflicts resolved?

III. What Information is Used to Make Decisions?

1. Does the team discuss changes in the instructional program? Are they in response to specific student needs? (e.g., expanding a reading program to include more children)
2. Does the team identify the needs of different groups of students?
3. Are data on student performance used in team discussions?
4. Is the data distributed in printed form?
5. Does the team receive feedback from other staff/parents? How? (needs assessment; feedback about existing programs)

IV. Team Organization

1. Is the planning team: a School Wide Project team, a 100.11 committee, a PDB planning committee, a School Based Management team, a combination of two or more of these?
2. Does the team discuss input from any other committees or groups within the school? If so, was this input in writing? What group gave this input (e.g., grade level teams, PA Exec Bd., student government group)? What kind of input did the team receive?
3. Does the team have subcommittees that work on separate areas, such as a committee to write the Comprehensive Education Plan? Describe. Who is on these subcommittees? What work do they do? What power do they have vis-a-vis the Planning Team?
4. How do team decisions get carried out? Who does the work?
5. Are there mechanisms for team members to be kept informed about team discussions and decisions if they are absent? What is that mechanism?
6. Does the team share its decisions with, and seek input from, the rest of the school?

V. School Culture, Climate, & Philosophy

1. Did you get any sense of how the school operates? Does it have a clear mission? Is the school principal-driven or staff-driven or both? Do principals and staff work together easily? How receptive is the school to parents?
2. What impression do you get of the strength and intensity of the school's focus on instruction? Are they committed to effective learning for ALL students?
3. What impression do you get of the school's relationship to its district and to Central?
4. Did any reference to obstacles to the successful implementation of PDB surface? (These could be obstacles within the school, the district or Central.)
5. Do team members discuss any positive results of PDB? Student outcomes? Intermediary effects (e.g. improved student attendance or teachers lower absenteeism) (It may well be too early in the implementation to see any of this.)

QUESTIONS FOR THE FOLLOW UP INTERVIEWS WITH PRINCIPALS OF NON PDB SCHOOLS

1. What did you hear about Performance Driven Budgeting (PDB)?
2. What do you expect PDB to mean for your school?

Let us now turn to specifics:

First, I want to talk to you about the next (1998-99) school year for which you just finished the planning and budgeting process.

3. When did your school begin planning for the 1998-99 school year?
4. Did your school complete a Comprehensive Education Plan for 1998-99? If not, what kind of planning document did your district require?
5. What kind of support did your school receive from the district to assist you in planning? Do you have any documentation of this from the district?
6. When did your school get its budget allocation for 1998-99?
7. What kind of support did your school receive from the district to do its budget?
8. What role did your school's Planning Team play in this process?

Now I want to ask you to think about planning and budgeting for <u>this current school year, 1997-98</u> and how it differed from the process for 1998-99.

9. When did your school begin planning for the 1997-98 school year?
10. Did your school complete a Comprehensive Education Plan for 1997-98? If not, what kind of planning document did your district require?
11. What kind of support did your school receive from the district to assist in planning? Do you have any documentation of this from the district?
12. When did your school get its budget allocation for 1997-98?
13. What kind of support did your school receive from the district to do its budget?
14. What role did your school's Planning Team play in this process?

Back to some general questions

15. What do you think will be the MAIN barriers to linking budgeting and instructional planning -- at the school, district and central levels?
16. What advice would you like to give your district and Central about how to improve the chances of successful implementation of PDB

Additional questions to understand what type of planning meetings are held in non-PDB Schools

1. Does your school have planning meetings?
2. How often are these held?
3. Are these meetings held on a regular basis?
4. Last year, were the meetings held as often?
5. Who attends these meetings?
6. Did the composition of this team change from last year to this year?
7. Do you have an agenda and/or written minutes of these meetings? May we have them?

Questions for Interviews with PDB Districts

1. **Can you give us an overall review of how your district organized and administered budgeting for your district's schools, prior to your implementation of PDB?**
2. **What role did the schools in your district play in shaping their budgets? What school-level decision-making structures existed in your district before PDB, and what decision-making scope and prerogatives did they have?**
3. **Please describe how your schools were held accountable before PDB.**
4. **Did your district attempt to change any federal, state or central board policies or practices that limited your ability to carry out the budgeting or instructional improvement policies you sought to implement?**
5. **Please describe any other aspects of your district's organizational culture that contributed to your capacity and inclination to implement PDB.**

Since you began to implement PDB:

6. **Please describe your district's administrative or organizational structure for implementing PDB.**
7. **How have you changed your budgeting procedures since PDB?**
8. **What school-level decision-making structures have you implemented to do PDB?**
9. **How has the nature of the budget and fiscal information you produce and disseminate changed?**
10. **To what extent has your district's instructional accountability system changed?**
11. **To what extent have your district's policies and practices designed to encourage school-level instructional improvement changed?**
12. **As you implement PDB, how would you describe the major obstacles to effective implementation at the school level? At the district level? At the central board level?**

13. **What major policies need to be changed at the central board, state and federal levels to increase your district's effectiveness in implementing PDB?**

14. **Please describe the kinds of outcomes you would expect, at the student, school and district levels, if you could implement PDB as effectively as you wish (with no legal, structural or procedural barriers or impediments)?**

INTERVIEW PROTOCOL FOR CENTRAL BOE

1. How do you define Performance Driven Budgeting (PDB)?

2. What does PDB mean for your office?

3. What is your criteria for success in the PDB initiative as far as your office is concerned? In other words, how do you know if you are successful?

4. Please trace the development of PDB in your office. First, what were your office structure and process before PDB. Second, how have they changed with PDB?

5. How has the way you produced and disseminated information changed with PDB?

6. The 1998-99 Chancellor's Budget Request talked about a performance driven system. At what point did the Chancellor's instructional standards and initiatives become linked to performance driven budgeting?

7. What do you think are the barriers to PDB? How do you address them?

8. How do you plan to hold all three levels (central, district, school) accountable in the new system? And what are the reporting mechanisms you will use?

9. Did your office seek to change any federal, state or central Board policies and practices that interfered with the implementation of PDB? If so, did you succeed?

10. What do you think will change with PDB? - the overall educational system, and in your office.

11. To what extent has your office's structure, policy and procedures changed to encourage school level decision-making?

12. What is the status of PDB now in your office?

13. What is the implementation schedule for PDB as far as your office is concerned?

14. If you are an advocate, please describe your role and the status of your involvement?

APPENDIX E:
TABLE OF POLICIES & PRACTICES THAT NEED TO CHANGE

	Level Identifying the Policies or Practices Needing Change		
1. Moving authority to the school level	**Central**	**Districts**	**Schools**
Central controls funds that districts and schools should control	✓	✓	✓
Central is not supportive of school autonomy	✓	✓	✓
Central failure to seek state & federal waivers		✓	✓
One-way, top down communication			✓

	Level Identifying the Policies or Practices Needing Change		
2. Restructuring resource allocation policies and practices to support school level instructional planning and budgeting	**Central**	**Districts**	**Schools**
Late, single-year state, city & central allocation practices	✓	✓	✓
Inability to merge funds across funding categories (Title I, PCEN, tax levy, etc)	✓	✓	✓
Inability to merge general, special and bilingual education funds	✓	✓	✓
Budgeting practices that emphasize budget control, not analysis of expenditures	✓	✓	✓
Budget & business systems don't reflect instructional programs	✓	✓	✓
Budget fragmentation limits instructional decision-making	✓	✓	✓
Cumbersome accounting, budgeting & expenditure policies and practices constrain school's ability to spend money efficiently	✓	✓	✓
Categorical program requirements restrict instructional options	✓	✓	✓
Uncoordinated, unfunded mandates & initiatives from federal, state, city & Central take too much time and resources, substitute for long range instructional planning & hinder focus on instruction		✓	✓
Too much Central control over curriculum, instruction & assessment			✓
Hiring, firing, excessing & transfer practices & policies prevent schools from developing staff they want in school	✓	✓	✓
Inflexible staff assignment policies and practices	✓	✓	✓

	Level Identifying the Policies or Practices Needing Change		
2. Restructuring resource allocation policies and practices to support school level instructional planning and budgeting	**Central**	**Districts**	**Schools**
Lack of staff in districts and schools to do the administrative work of school planning and budgeting.	✓	✓	✓
Insufficient & inequitably distributed staff		✓	✓
Inequitable allocation formula uses average vs. actual teacher salary		✓	
Fear that schools will have difficulty making equitable budget decisions among competing demands		✓	
Need to integrate PDB with other MIS systems	✓		

	Level Identifying the Policies or Practices Needing Change		
3. Providing information in understandable form to support instructional planning and budgeting	**Central**	**Districts**	**Schools**
Instructional planning tool (CEP) is inflexible, time consuming, redundant, not linked to budget.	✓	✓	✓
Need for student performance data that is sufficiently timely and informative to support school decision-making	✓		✓
Need for better management information systems to provide school-based information to help schools evaluate their own performance	✓		
Problems with accuracy of school level data			✓
Lack of clear, understandable school level fiscal data	✓		

	Level Identifying the Policies or Practices Needing Change		
4. Providing training and resources to support the team's work	**Central**	**Districts**	**Schools**
Lack of District & Central capacity, knowledge and experience in providing effective training and support to schools	✓	✓	✓
District lack of capacity to provide effective training and support.	✓	✓	
Lack of sufficient time and resources for training	✓	✓	
Need for phase-in plan to be unrushed and well designed with training and support for school staff and parents having little or no experience in school planning or budgeting processes			✓

	Level Identifying the Policies or Practices Needing Change		
5. Making decision-making relationships and structures less hierarchical	**Central**	**Districts**	**Schools**
Definitions of roles within and between all levels need to change	✓	✓	✓
Staff and parent lack of knowledge about: instructional planning, budgeting and business practices, interpretation of student performance data, school level decision-making processes and use of technology prevents effective team roles	✓	✓	✓
Lack of horizontal communication and collaboration among schools limits pressure for systemic change	✓	✓	
Lack of management expertise/capacity at schools		✓	✓
Difficulty of involving parents		✓	✓
Time/resources for planning, reflecting, evaluating; even 6/1 budget is late for collaborative process		✓	✓
Unequal power relationships on teams; principals unwilling to relinquish authority			✓
Staff reluctant to relinquish contractual guidelines, accept responsibility, be accountable			✓
Incompatibilities around meeting times			✓

	Level Identifying the Policies or Practices Needing Change		
6. Establishing clear responsibility for accountability and effective public reporting mechanisms	**Central**	**Districts**	**Schools**
Accountability directives limit school instructional flexibility		✓	✓
Accountability only used for compliance (process), not outcomes	✓	✓	✓
No reporting of school budgets and expenditures	✓		
No cost effectiveness data on school improvement strategies	✓		

	Level Identifying the Policies or Practices Needing Change		
7. Developing a culture that supports school decision-making and continuous school improvement	**Central**	**Districts**	**Schools**
Tradition that encourages resistance to change at all levels	✓	✓	✓

	Level Identifying the Policies or Practices Needing Change		
7. Developing a culture that supports school decision-making and continuous school improvement	**Central**	**Districts**	**Schools**
Lack of belief in possibility of transformation to school-based system	✓	✓	✓
Failure of Central & district staff to understand service role; failure to trust schools to make decisions	✓	✓	✓
Central doesn't want to "let go"; protects status quo		✓	✓
School belief that top-down culture means that Central, and to some extent districts, don't know what goes on in schools			✓
Doubt that Central has long term commitment to system change	✓		
Inconsistent directives from district & Central			✓
School suspicion that district & Central withhold money & don't follow through on promises/programs			✓
District & school fear of exercising authority & assuming responsibility	✓		
School isolation & frustration over inability to control resources	✓		
Difficult for schools to maintain instructional focus because of proliferating initiatives		✓	✓
School's ability to implement instructional improvement strategies restricted by overcrowded & inadequate facilities			✓
Too many distractions from instructional focus at school level		✓	✓
Lack of school access to successful models and facilitators		✓	✓
Need for professional culture in schools, more respect for parents			✓
Dissatisfaction with new high school standards		✓	✓

APPENDIX F

How to Use the PDB Web Conference Center

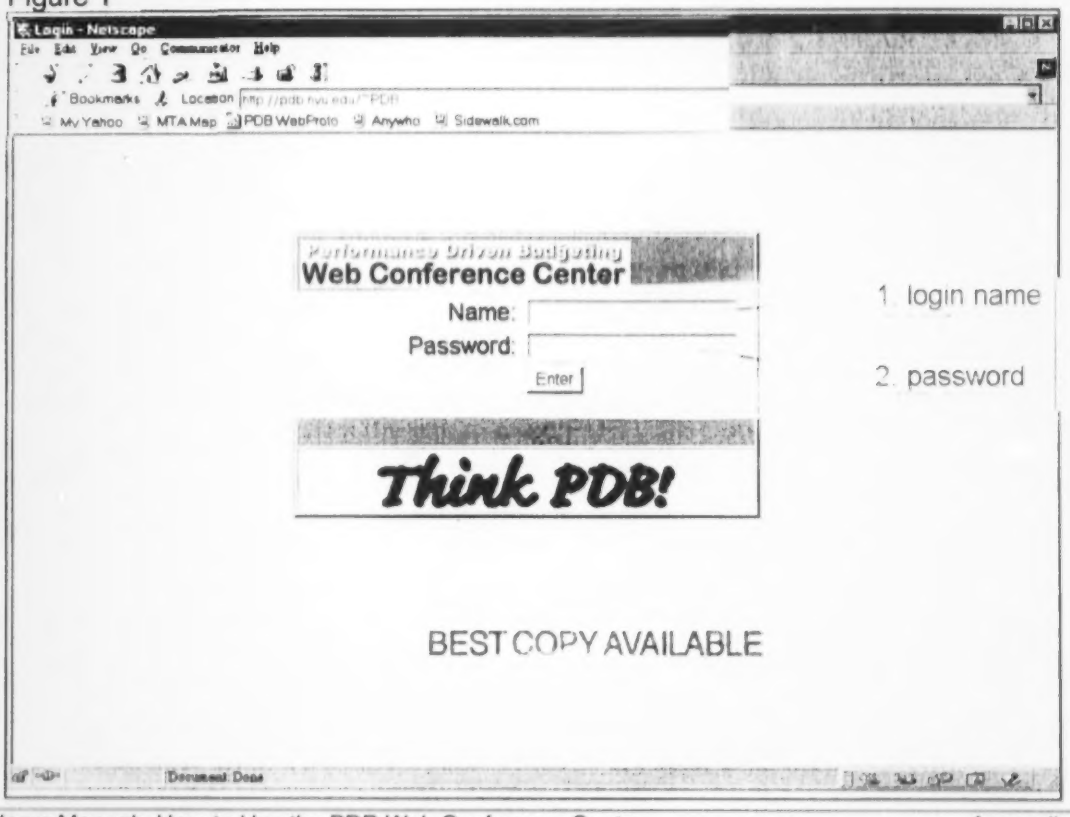
April 1998

Based on Internet technology, NYU's PDB web conference center allows PDB participants to interact, share documents, and collaborate without having to schedule meetings or arrange telephone conferences. The web conference center is reached through the PDB web site (www.nyu.edu/pdb). Each user – principal, school team, or authorized district or central user – has an assigned user name and password that permits access to the conference center and to one or more conferences within the center. Each district determines who will be a "user" in that district.

1. Logging in to the PDB Web Conference Center

From the PDB Website, click the link marked PDB Web Conference Center. This will take you to the login screen (see figure 1 below). Enter your assigned login name and password.

Figure 1



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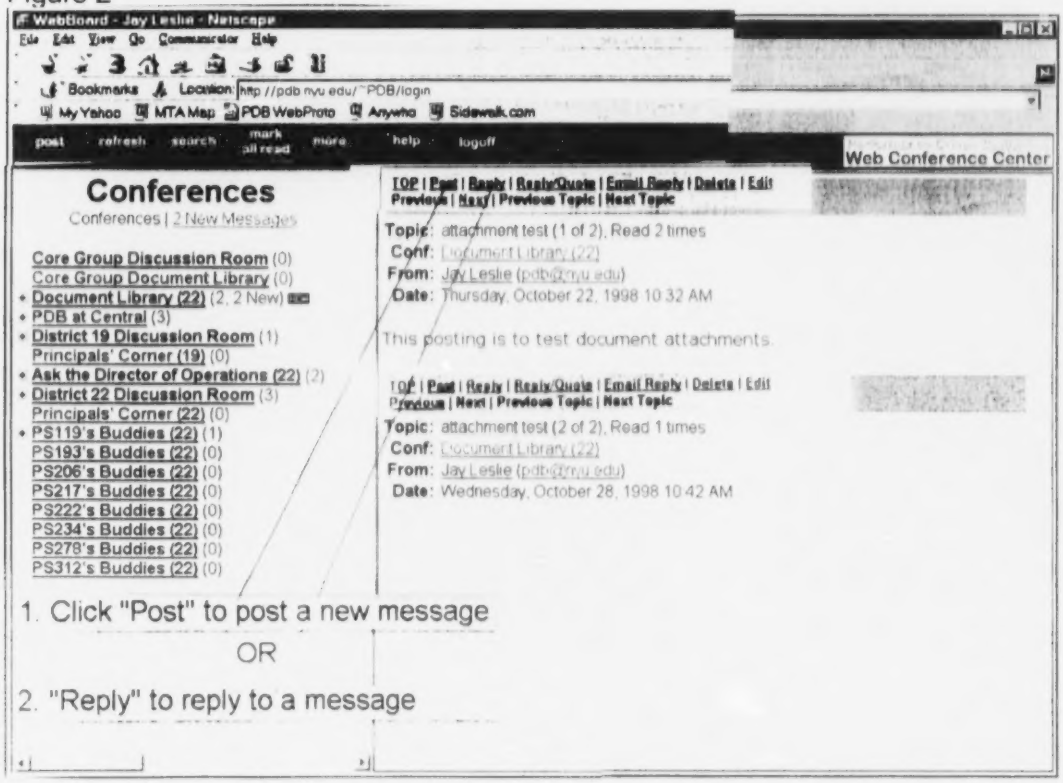
2. Reading Messages

Figure 2 is the conference center screen which allows you to read and reply to messages left in the conference rooms. A list of available conference rooms is always visible in the left-hand section (or *frame*) of your screen under the heading "Conferences." Click on a conference to read or post messages in that conference. A "+" symbol means that that conference contains postings (or *threads*) that can be responded to. Clicking on the "+" symbol to expand that conference and reveal its threads. The text of these threads is visible in the right frame of the screen.

Figure 2


WebBoard - Jay Leslie - Netscape
File Edit View Go Communicator Help
Bookmarks Location: http://pdb.nyu.edu/~PDB/login
My Yahoo MTA Map PDB WebProto Anywho Sidewalk.com
post refresh search mark all read more help logoff
Web Conference Center
Conferences
Conferences | 2 New Messages
Core Group Discussion Room (0)
Core Group Document Library (0)
Document Library (22) (2, 2 New)
PDB at Central (3)
District 19 Discussion Room (1)
Principals' Corner (19) (0)
Ask the Director of Operations (22) (2)
District 22 Discussion Room (3)
Principals' Corner (22) (0)
PS119's Buddies (22) (1)
PS193's Buddies (22) (0)
PS206's Buddies (22) (0)
PS217's Buddies (22) (0)
PS222's Buddies (22) (0)
PS234's Buddies (22) (0)
PS278's Buddies (22) (0)
PS312's Buddies (22) (0)
TOP | Post | Reply | Reply/Quote | Email Reply | Delete | Edit
Previous | Next | Previous Topic | Next Topic
Topic: attachment test (1 of 2), Read 2 times
Conf: Document Library (22)
From: Jay Leslie (pdb@nyu.edu)
Date: Thursday, October 22, 1998 10:32 AM
This posting is to test document attachments.
TOP | Post | Reply | Reply/Quote | Email Reply | Delete | Edit
Previous | Next | Previous Topic | Next Topic
Topic: attachment test (2 of 2), Read 1 times
Conf: Document Library (22)
From: Jay Leslie (pdb@nyu.edu)
Date: Wednesday, October 28, 1998 10:42 AM
1. Click "Post" to post a new message
OR
2. "Reply" to reply to a message

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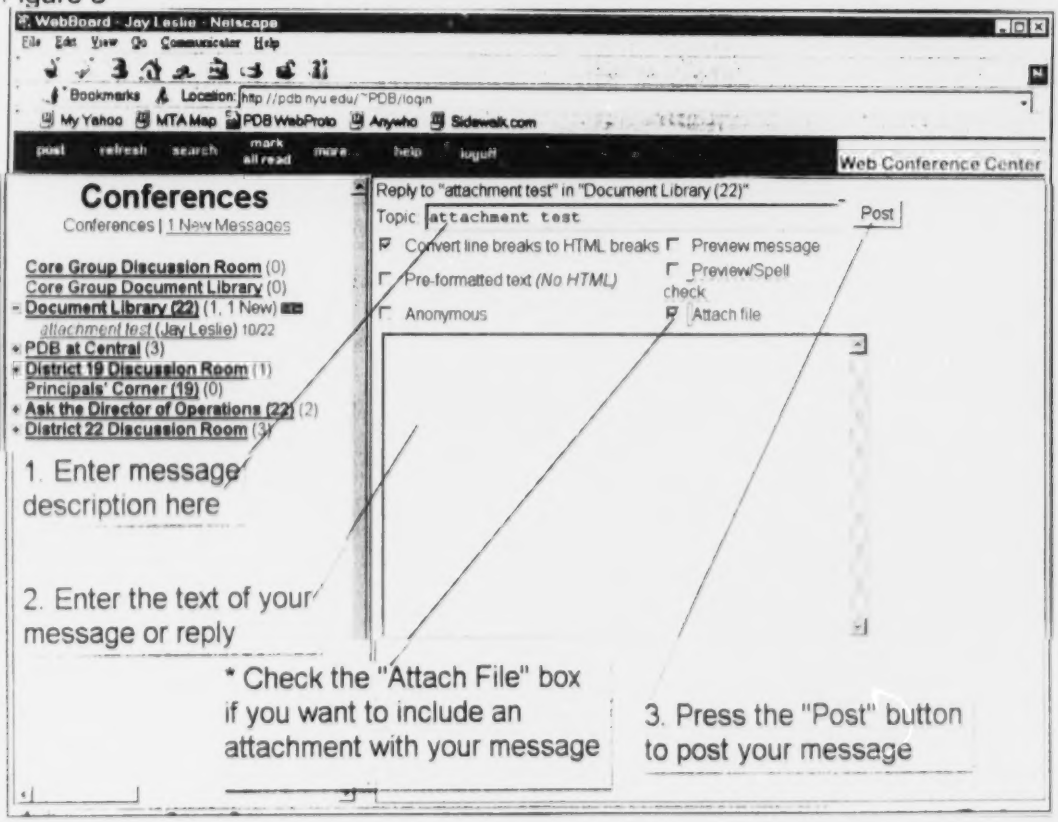
3. Replying to Messages

Each message in a thread has a light blue "header" bar with available options. Click on the word "Reply" to change to the message reply form (*Figure 3*).

The box marked *Topic* contains the name of the thread to which you are reply. In the larger box below, enter the text of your message. When you are ready to send your message, click the "Post" button located next to the *Topic* box.

Figure 3


WebBoard - Jay Leslie - Netscape
Web Conference Center
Conferences
Conferences | 1 New Messages
Core Group Discussion Room (0)
Core Group Document Library (0)
Document Library (22) (1, 1 New)
attachment test (Jay Leslie) 10/22
PDB at Central (3)
District 19 Discussion Room (1)
Principals' Corner (19) (0)
Ask the Director of Operations (22) (2)
District 22 Discussion Room (3)
Reply to "attachment test" in "Document Library (22)"
Topic attachment test
Post
Convert line breaks to HTML breaks
Preview message
Pre-formatted text (No HTML)
Preview/Spell check
Anonymous
Attach file
1. Enter message description here
2. Enter the text of your message or reply
* Check the "Attach File" box if you want to include an attachment with your message
3. Press the "Post" button to post your message

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4. Starting a New Message Thread

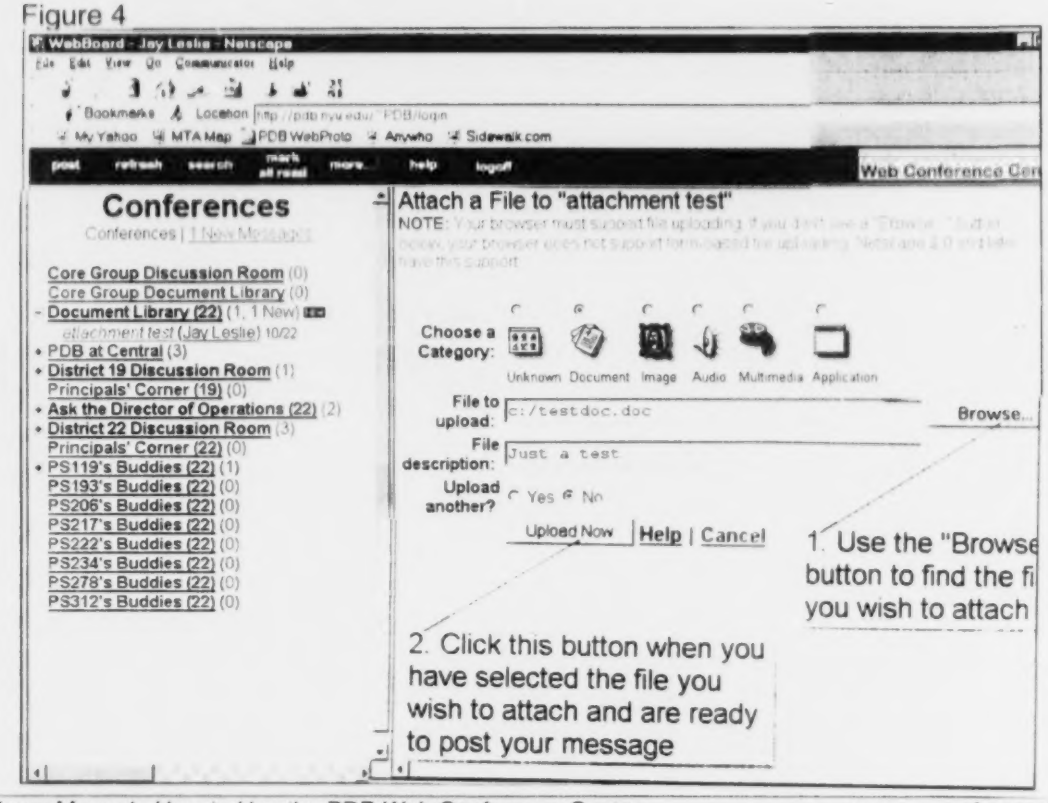
Select the conference in the left frame and either click the "post" button in the upper left corner of the conference center window, or click "post" in the one of the message headers. This brings you to the screen shown in *Figure 3*. From this point, the process of posting a new thread is identical to that of replying to a thread with the exception that you are presented with a blank topic line that must be filled in.

5. Attaching Files

In addition to the topic box and the main message area, the message posting form (*Figure 3*) contains six check boxes, the last of which is "attach files." If you wish to attach a file to your message, be sure to check this box before clicking the "post" button.

With this box checked, clicking "post" brings you to a screen that asks you to select the file(s) you wish to attach (*Figure 4*).

Figure 4



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- ***Choose Category***

These options serve to give other conference users a general idea of the type of file you are attaching. It has no effect on your attachment. You will likely find that most of your attachments consist of *documents*, which include files created by word processors like Word and WordPerfect as well as spreadsheets, database reports, etc.

- ***File to Upload***

This is where you enter the location (path) and name of the file you wish to attach. It is advisable to select your attachment using the "browse" button. Clicking the "browse" button will bring you to the "File Upload" window from which you can search for and select the file you wish to attach. The "file of type" box in the "File Upload" window contains various file types, but you may find it easier to select "all files" here since the list of file types does not include some common word processor and spreadsheet file types. When you have found the file you want, click the "open" button. The "file to upload" box will be filled in for you.

- ***File Description***

Type a description of the file to inform conference members of the contents of the attached file.

- ***Upload Now***

Click this button when you are done to post your message, along with the file(s) you have chosen to attach.

Enjoy

That's it. Now you're ready to begin communicating via the PDB Web Conference Center. To find out about additional features, please click the "help" button from the Conference Center screen.

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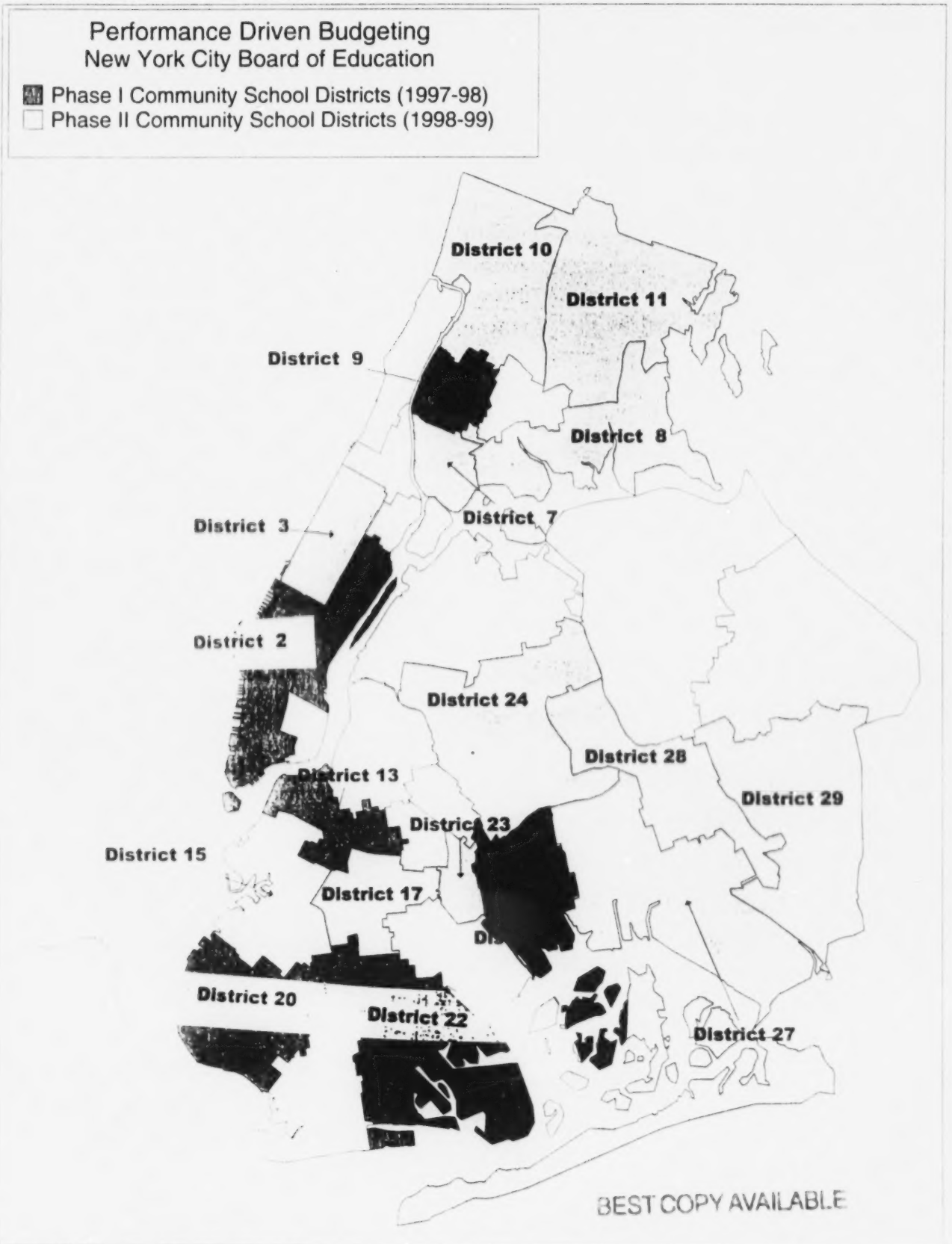

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INSTITUTE FOR
Education and Social Policy
New York University

726 Broadway, 5th Floor
New York, NY 10003
(212) 998-5880
Fax: (212) 995-4564
iesp@nyu.edu
www.nyu.edu/pdb